

HOME NEWS

Left's threat of a minority report may push Labour Party's internal inquiry into the quicksand

By Michael Hatfield
Political Reporter

Labour's internal inquiry into its constitution showed distinct signs of running into quicksand last night after the left gave notice that it would table a minority report.

While Mr David Bassett, general secretary of the General and Municipal Workers' Union, who fought hard for the commission to be created, said that he regretted that a minority report would be produced, he and other trade unionists may submit their own report on the structure of the party's national executive committee.

The commission's deliberations have produced such a cat's cradle of differing opinions and possibilities that none of its 13 members could predict last night what would happen next.

The only firm conclusion was that nothing could be settled until the party conference in October and even then, that might not be the end of the matter.

The immediate issue confronting the commission is the size and shape of the proposed electoral college which will oversee the general election manifesto and elect the leader to succeed Mr James Callaghan.

Mr Michael Foot, deputy leader, and three trade unionists—Mr Bassett, Mr Clive Jenkins, of the Association of Scientific, Technical and Managerial Staffs, and Mr William

Keys, of the Society of Graphical and Allied Trades—are trying to patch together a formula which will be acceptable to all on the commission when it meets again next week.

Without that agreed compromise, and if the moderates believe that the balance of power is pitched too much in favour of the left-dominated national executive committee, the trade unionists may press for reform of the NEC, causing another dispute.

The left-wing minority has objected to the present electoral college on two counts: it does not believe the college should have a say in the general election manifesto, which the party conference decided last year should be under the ultimate control of the national executive; and it opposes the proposed make-up of the college.

The majority view is that half the college should be drawn from the parliamentary party, a quarter from affiliated unions, a fifth from constituency parties and the rest from other affiliated bodies. The left, on the other hand, believes that it should be divided evenly between the parliamentary party, the trade unions and the constituency parties. A further question is the size of the college.

Although the constitutional proposals and counter-proposals

may seem at first inordinately prosaic, behind them lies a struggle for the centre of power inside the party.

The five unions which originally pressed for a reform of the national executive are the General and Municipal Workers' Union, the Amalgamated Union of Engineering Workers, the National Union of Railwaymen, the Association of Professional, Executive, Clerical and Computer Staff, and the Electrical, Electronic, Telecommunications and Plumbing Union.

They argued the need for a balanced representation of the three main elements making up the party—the trade unions, the constituency parties and the parliamentary party—between the need to heal the rift between the national executive and the parliamentary party.

Although the commission's members are reluctant to open up the question of national executive reform because they believe there are enough controversies to be dealt with already, the moderates believe that they may be forced into taking a stand on the issue if they are not satisfied with the outcome of the electoral college issue.

The national executive will be pressed by the left wing to back the minority report, which could increase its chances of being supported at the annual conference.

MP deplores council's charge on home helps

By a Staff Reporter

Mr Patrick Jenkin, Secretary of State for Social Services, is to be asked to condemn a local authority in his constituency for charging the old and disabled for the services of home helps. The result has been that 286 people have stopped using the service.

Three parliamentary questions were tabled yesterday by Mr Alfred Morris, Labour MP for Manchester, Wythenshawe, who asked the Minister to deplore the behaviour of the London borough of Redbridge which was acting contrary to government policy.

The authority decided, after investigation, to charge at least £1.50 a week for home helps, regardless whether those helped were old, disabled or on supplementary benefit. In four

cases it decided to continue with free home helps.

In a report by Redbridge social services department it was disclosed that of the 286 people relinquishing home helps, 236 were on supplementary benefit or earned less than £35 a week as a single person or £50 as a couple.

Of the 286 people 183 were previously receiving more than one and a half hours of help every week.

Mr Morris, who was minister for the disabled in the last Labour government, said the council's action was a very severe attack on the poor and disabled. More people would end up in hospital.

A Redbridge council official said there had been no government instruction. In cases of hardship the council would give free help.

College cash inquiry is refused

By Our Education Correspondent

Mr Mark Carlisle, Secretary of State for Education and Science, refused yesterday to set up an inquiry into the alleged "overspending and squandering of public money" by polytechnics and colleges.

Mr Michael Brown, Conservative MP for Brigg and Scunthorpe, asked him whether he would set up such an inquiry in the light of the comments made by the Council of Local Education Authorities on the governance of maintained colleges, which has been submitted to the Secretary of State.

In a written reply, Mr Carlisle said he had received the report and would shortly be holding discussions on it with the local authorities, but he did not plan to set up an inquiry into the charge of overspending by some colleges.

Local authorities have asked the Government for more control over the running of colleges. At present, they feel they are too restricted by the rules of government.

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Chairman chosen for teachers' pay arbitration

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Music Reporter

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Four nurses from University College Hospital, London, leaving yesterday to cycle from John O'Groats to Land's End to try to raise £3,000 for furniture for wards affected by cuts.

Managers retreat over union application

By Donald MacIntyre
Labour Reporter

The white-collar Engineers and Managers' Association has withdrawn its application to join the powerful Confederation of Shipbuilding and Engineering Unions (CSEU) rather than face rejection next week.

Rejection by the CSEU's annual conference, which opens next Monday, became a virtual certainty when the Amalgamated Union of Engineering Workers policy-making national committee decided not to support it.

Affiliation to the CSEU, the central joint trade union body in engineering, was seen as an important step forward in the association's battle to win recognition from employers as a union representing engineers and managers in manufacturing industry.

Mr John Lyons, the association's general secretary, said yesterday that the application had been withdrawn for tactical reasons and he said "We shall apply at a later date. We shall continue to recruit and organise professional, managerial and al-

lied staffs right across industry as we have done already."

He suggested that lobbying by one of the association's main opponents, the AUEW's Technical, Administrative and Supervisory Section (TASS), had played a part in the rejection by that union's dominant engineering section.

He said it was only a matter of time before it was recognised by unions affiliated to the CSEU, including the AUEW, that the association was playing a part in areas where the CSEU had interests.

The association has no political affiliation in the TUC but that may come into greater prominence later this year since its leaders are considering a motion to the TUC reminding congress that it is one of a group of unions not politically affiliated, implying that the TUC should take more account of such unions' views in framing policy.

The association has yet to make real headway with firms in the Engineering Employers' Federation, which enjoys national agreements with the CSEU.

Nalco expects offer of 12% in reply to claim

By Our Labour Staff

Union negotiators representing more than 500,000 white collar local authority employees are expecting a formal offer of a 12 per cent pay increase in reply to a claim for "at least 20 per cent" and a series of secondary demands.

The wide gap between the two sides was indicated yesterday when senior representatives of both sides made the first negotiations on the white collar council officers' settlement due to run from July 1.

The town hall staffs were engaged earlier this year in an industrial dispute which disrupted the processing of rate demands, threatened traffic at municipal airports and affected other sectors of local government work. They won a 13 per cent comparability payment in addition to a 9 per cent increase for last year.

Yesterday the employers' representatives said that they would propose a formal offer of 12 per cent to their side of the National Joint Council when it

met the full union side on July 3. That offer is almost certain to be rejected by the National and Local Government Officers' Association.

The employers' representatives told the union that cash limits and the consequent financial difficulties were severely limiting the ability of councils to pay more than 12 per cent. Even with that increase some council jobs and even services might be in jeopardy.

A bigger increase could lead to "unacceptable consequences" which might include more serious job losses, reduction in services and increases in rates, they said.

The union's claim, which is designed to maintain the value of the comparability increase and keep pace with inflation, includes demands for a minimum wage of £76 a week for 18-year-olds, a 35-hour week, which would mean a reduction of at least two hours in the provinces and one hour in London; 25 days' leave a year; and other fringe benefits.

Risks to be taken by spec hospitals

From Pat Healy
Social Services C
Malvern

Hundreds of patients be kept permanent hospital because of a decision to release, Sir George Under-Secretary Health, said yesterday.

When the patients charged even though they could be released, Sir George said at a press conference from Broadmoor, hospitals had to inevitably to sue the risk should be.

But the same rarely follows if a prisoner re-offends a finite sentence, Sir George told a session of the British Association of Social Work, on a seminar on "mentally abnormal."

"We accept that normally, a man that people should be put in a prison should be under mental health legislation, but we always had a choice to discharge a patient."

"That choice is exercised with all risks," Sir George said. "For instance, when a man is released, particularly in the case of a man in the special hospital, he is never allowed to be released."

The risk must be taken into account without a table. There must be a proper arrangement for the patient's resettlement.

The conference, dominated as much as possible by the hospitals as by the expressed by the hospital staff, do not work and the problem of finding a proper arrangement for the patient's resettlement.

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Civil Service cuts 'vital for recovery'

By a Staff Reporter

It was essential to national recovery that the scale and functions of the Civil Service should be reduced and that universities, polytechnics, and local government should cease to grow, Sir Keith Joseph, Secretary of State for Industry, said yesterday.

Sir Keith told a meeting at Spalding, Lincolnshire: "The past expansion of these institutions has not only exceeded our capacity to pay for them, but has taken up much of the scarcest resource of all, human initiative."

He said that it was the men and women of business initiative who supported the whole economy and on whose performance all jobs depended. Yet business had to compete for the talent it needed with what had tended to be easier, more secure, and expanding careers in public service.

He said: "We are beginning to take the right steps to rectify the balance. By reducing opportunities in state-financed and state-subsidised occupations, we shall increase the share of business talent that goes into business. Only then will our economy grow."

Kenyan sergeant

Police Constable Fazal Awan, aged 33, who was born in Kenya yesterday because the first non-white officer in the Nottinghamshire Constabulary to be promoted sergeant.

Fewer take courses on Russian

By Diana Geddes
Education Correspondent

Applications to undergraduate courses in Russian studies have fallen by more than 60 per cent over the past 10 years. This year, as last year, there are likely to be many more places on offer than there are suitable candidates to fill them.

Last year, 102 applicants to British universities put Russian or Russian studies as their first choice, and 115 places were eventually filled. That compares with 268 applicants in 1969 and 211 places filled.

Applications up to April 1 this year were running slightly ahead of applications at the same time last year, but there have been fewer late entries; total applications are expected to be about the same.

More than 40 university institutions provide courses in Russian studies. On average, they will get no more than three new undergraduates each year. The University Grants Committee has just confirmed recommendations that would lead the phasing-out of Russian studies in 18 universities and colleges.

The number of pupils taking A-level Russian in the same year there were 452 undergraduates doing Russian in universities and 85 post-graduates. Leading article, page 13

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LSO will give concert fees to striking BBC musicians

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Shots exchanged after raid on Irish bank

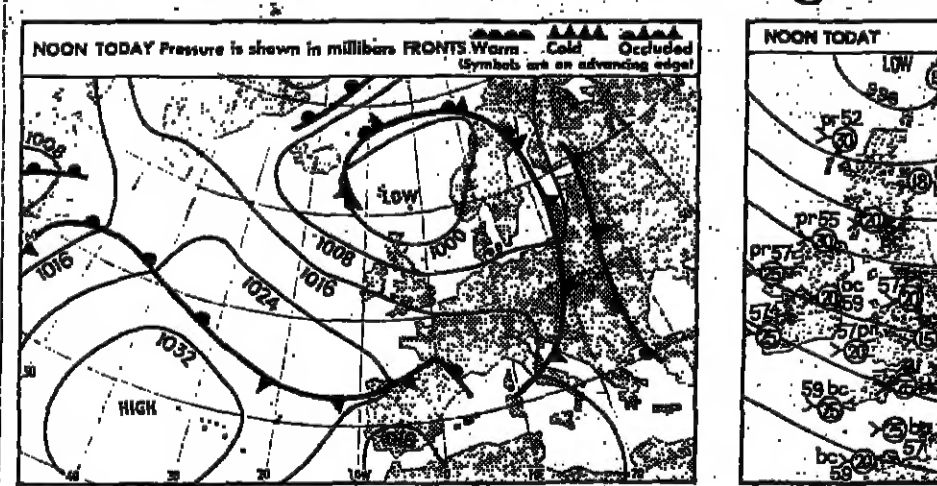
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Weather forecast and recordings



Ideas for Concorde and Trident said to have 'walked' into foreign factories Aerospace industry espionage a fact of life

By Arthur Reed
Air Correspondent

Plans and designs or ideas for the Concorde supersonic transport and the Trident airliner are among those which in the past have been alleged to have "walked" into the factories of foreign aerospace manufacturers in much the same way that operations sheets for machine tools made by a British firm for Rolls-Royce are alleged to have been found in a works in Italy.

Such allegations have cropped up regularly over the past few years, and many senior executives in the industry seriously believe that numerous foreign products, ranging from entire aircraft to small pieces of equipment, are in racing parlance, dead ringers.

In the case of the Concorde, designs are said to have been stolen either from the British Aerospace works at Filton, Bristol, or the Aérospatiale works in Toulouse, France, and to have found their way into the Tupolev factory outside Moscow, where they were incor-

porated into the design of the Russians' unsuccessful Tu 144 supersonic airliner design.

The allegation has always been hotly denied by the Russians, who explain that the extreme similarity between the lines of the two supersonic aircraft can be accounted for by the fact that if two sets of designers are given similar design targets, they will inevitably come up with similar designs.

When *The Times* reported a British European MP as repeating the allegation, I was called to the Soviet Embassy in London to be given a lecture by a senior official of the Soviet airline, Aeroflot, on its inquiry and its complete lack of truth.

In the case of the Trident, a team from the United States aerospace company Boeing are said to have visited the Hatfield works of the then de Havilland company and to have seen the designs for the three-engine layout, which is a feature of the airliner. Soon afterwards, Boeing came out with a similar three-engine design, the 727 airliner.

Allegations were at once

made within the home aerospace industry that the general layout of the 727 was a copy of the Trident, allegations which were strenuously denied by Boeing. In the event, the American aircraft was far more successful than the British, selling more than 1,600 to date against just over 100 Tridents.

Aerospace industry executives to whom I spoke yesterday all claimed that security in design shops is tight, and were offended at the allegation made by a former senior executive of Rolls-Royce in *The Times* yesterday that he was not surprised that the company's operations sheets had been allegedly seen in the Turin plant of Morando.

"The company's design department was wide open," the former executive said. "It was always assumed that its blueprints would be delivered next morning to the Soviet trade mission in Highgate, and there was no reason why they should not have been delivered to an Italian manufacturer."

With aerospace being such an international business, it is not necessary for the industrial espionage agent to filch papers from inside design shops. It is possible to watch espionage going on in its simplest form at the biennial Farnborough air show, where foreign aerospace executives may be observed photographing an draking measurements of the latest pieces of equipment on British exhibition stands.

And there is no reason to believe that at the same time, British aerospace industry executives are not doing the same type of operation on the latest pieces of kit being displayed at Farnborough by companies from abroad.

The numerous international aerospace projects in which Rolls-Royce and British Aerospace have been involved, with the European nations during the past decade have also provided good chances for the transfer of both aerospace plans and expertise. Some British industry executives believe that Britain's handed over much of its aerospace seed corn during these international projects, and that the Europeans are "now using our own designs to beat us at our own game."

detectives and gunmen exchanged fire near a 400-acre forest at Ballyduff, on Waterford, on Thursday night, after a £20,000 armed robbery at the Allied Irish Bank in Mitchelstown.

Troops and police sealed off the plantation overnight after two men and a woman had been taken into custody.

Treasures of Britain

An 11-week series on the treasures of Britain's 1,600 museums, which can be kept in a special binder, starts in colour tomorrow in *The Sunday Times* Magazine.

The first instalment looks at three main museums in the capital, the British Museum, the Victoria and Albert, and the Museum of London, with 17 pages of colour photographs of some of their most dazzling exhibits, including some that too often are overlooked.

The Sunday Times tomorrow also contains "Dallas: a true story", a report by Stephen Fay on the inside story of Banker Hunt and the biggest adventure in the history of capitalism.

depression will be slow-moving near Scotland; a showery W air stream covers all parts of the United Kingdom.

Forecasts for 6 am to midnight: England, SE, Central S and E England, East Anglia, Midlands: Sunny intervals; showers, some heavy; wind W to SW, moderate to fresh; max temp 15° to 17°C (59° to 63°F).

Channel Islands, Wales, SW, NW and central N England: bright or sunny intervals; showers, heavy in places; wind to NW, fresh, occasionally strong; max temp 13° to 15°C (55° to 59°F).

Lake District, Isle of Man, N E England, Borders, S W and N W Scotland, Glasgow, Central Highlands, Moray Firth, Argyll, Northern Ireland: bright intervals; showers, some heavy, local thunder; wind NW, fresh to strong; max temp 11° to 13°C (52° to 55°F).

Outlook for tomorrow and Monday: 1. Fine general weather; sea passages: S North Sea, Strait of Dover, English Channel (E): Wind to SW, fresh to strong; sea rough.

Wind W to NW, fresh to strong; sea moderate to rough.

Yesterday
London: Temp: max 7 am to 7 pm (18°C, 64°F); min 7 pm to 10 pm (12°C, 54°F).

WEATHER REPORTS YESTERDAY MIDDAY: c, cloud; f, fair; r, rain; s, sun; th, thunder.

Aberdeen c 16, Glasgow c 16, Inverness c 16, London c 16, Manchester c 16, Newcastle c 16, Nottingham c 16, Oxford c 16, Plymouth c 16, Reading c 16, Southampton c 16, Swansea c 16, Cardiff c 16, Bristol c 16, Exeter c 16, Gloucester c 16, Hereford c 16, Leicester c 16, Lincoln c 16, Loughborough c 16, Luton c 16, Milton Keynes c 16, Northampton c 16, Peterborough c 16, Preston c 16, Rochester c 16, Shrewsbury c 16, Slough c 16, Stevenage c 16, Stirling c 16, Telford c 16, Torquay c 16, Truro c 16, Walsley c 16, Warrington c 16, Warwick c 16, Wells c 16, Weymouth c 16, Whitby c 16, Wigan c 16, Wolverhampton c 16, Worcester c 16, York c 16.

Overseas selling prices
Austrian 2.2, Belgium 2.2, Canada 1.2, Denmark 1.2, France 1.2, Germany 1.2, Greece 1.2, Hong Kong 1.2, India 1.2, Italy 1.2, Japan 1.2, Korea 1.2, Malaysia 1.2, Mexico 1.2, Netherlands 1.2, New Zealand 1.2, Norway 1.2, Portugal 1.2, Singapore 1.2, South Africa 1.2, Spain 1.2, Sweden 1.2, Switzerland 1.2, Taiwan 1.2, Thailand 1.2, Turkey 1.2, U.K. 1.2, U.S.A. 1.2, USSR 1.2, West Germany 1.2, Yugoslavia 1.2.

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Saturday Review

Will Wyatt

The writer who called himself B. Traven is one of the most mysterious figures of the twentieth century: the Marie Celeste of literature. As that ill-fated vessel was found inexplicably adrift without a crew, so the alias B. Traven was found only as a name unoccupied by an identity or even a nationality.

This was no accident. Whoever Traven was he sought anonymity with the passion other men devote to the pursuit of power, wealth and fame. While his stories sold in their millions around the world, his name became synonymous with the unknown and the unknowable, his life the subject of wild rumour and romantic legend, his books examined for the code which might answer the questions "Who was he?" and "Why did he hide?"

When I set out with Robert Robinson to make a documentary film about Traven for the BBC it was not with any serious hope of answering these questions. The press cuttings on Traven and his entries in biographical and literary reference works were bewildering. Publicity, propaganda, lies, rumours, clues from the books and the bare facts of publication were connected and reconnected in a confusing biographical mazzurka.

The inventions about him had been so many and so disparate, the facts so few and so difficult to check, that almost any permutation of ingredients appeared convincing. The only certainties were Traven's books themselves: powerful, riveting tales, some of them apparently autobiographical, and it was against these works that the speculative identities had been measured.

B. Traven is probably best known as the author of *The Treasure of the Sierra Madre*, which John Huston turned into a classic film starring his father, Walter Huston, and Humphrey Bogart. When this film was made in 1947, Traven had published a dozen books as well as many short stories and his work was available in more than a dozen languages. Yet no-one had ever met the author. No publisher, no agent, no reader, no fellow writer had ever seen or spoken to B. Traven. No human being had ever come forward to identify himself as the man behind the name.

The Traven books were sent from Mexico and all correspondence with the author was through post office box numbers in Tampico, Acapulco and Mexico City. The letters he sent were invariably typed and he rarely signed them, preferring the mechanical anonymity of the typewriter key for his signature as well as the text. He refused to send his publishers any biographical material save for two photographs of a wooden house in the jungle, in which he claimed to have written some of his stories.

Rumours spread as to why Traven remained only a ghostly presence behind the books. One story was that he was none other than the American writer Jack London, who had not died in 1916 as everyone had believed, but had mysteriously fled on. A second theory said Traven was actually the American satirical journalist and story writer Ambrose Bierce, author of *The Devil's Dictionary*, who disappeared dramatically into revolutionary Mexico at the end of 1913 and was never seen again.

There were some less specific reports. One said that Traven was a rogue American millionaire who had written so much about the poor and oppressed in order to assuage his guilt at amassing a fortune through the labour of his workers, another that he was a poor American black who had fled injustice in the southern states and drifted down into Mexico.

Wilder explanations had Traven as a fugitive Austrian archduke or a leper, a man so afflicted by the dread disease that his head was permanently bound in bandages.

The initial "B" excited a small mystery of its own. The books were all in the name B. Traven with never a hint as to what the B stood for. Ben, Benna, and more commonly Bruno, were offered as Christian names, while another said that the B was like the S in Harry S. Truman, a cosmetic addition standing for nothing.

The cast list for the part of Traven included a German publisher, a Czech writer, Arthur Brisbane, who travelled to the United States in 1910 and then vanished, and even Adolfo Lopez Mateos, President of Mexico between 1935-1940. Lopez Mateos's sister, Esperanza, was the Mexican agent and translator for the Traven books until her death in 1951, and for a time in the 1940s the copyright of the Traven name was simply covering up for her brother? The rumour achieved such currency that it eventually called for a public denial by the President.

A more credible theory, one held by many searchers after Traven, was that the author was a poor white American, probably a Wholly—a member of the Industrial Workers of the World, a group of radical labour unions largely made up of itinerant workers.

Traven's early books were written in the first person and had just such a man, Gerard Gales, as their narrator. It was not far fetched to imagine the

jaunty and independent-minded Gales as the author himself, bumming his way round Mexico, picking up odd jobs on oil rigs and in cotton fields and collecting tales.

The first stories by B. Traven appeared in print in the Berlin newspaper *Vorwärts* in 1925 under the title *Die Baumwollpflücker* (The Cotton-pickers). They attracted the attention of a newly formed publishing house and book club of the left, the *Büchergilde Gutenberg*, which made contact with the mysterious author in Mexico and arranged to publish his works.

The first to appear as a book was *The Death Ship*, quickly followed by *The Cotton-Pickers* and *The Treasure of the Sierra Madre*. English language editions began to appear in 1934. In Britain, they were translations from the German but the American publishers were favoured with manuscripts in English sent direct from the author in Mexico.

In his letters over the years, the one biographical fact that Traven was apparently willing to reveal was his nationality. He strenuously denied being German and on several occasions claimed that he was an American. This was odd, for the manuscripts Traven sent to Alfred Knopf, his American publisher, were composed in a strange form of English, which seemed to be a direct word for word translation from the German. The books were almost completely rewritten by one of Knopf's editors to turn them into readable English.

All this time Traven remained only a typed silhouette on the letters and manuscripts. None of his correspondents had met him, though not only for the author to dodge him at the last moment. Knopf, who was eager to film some of the books, conducted a lengthy correspondence with Traven. One day the author agreed to a time and a place for the long delayed meeting. Knopf waited in his hotel room in Mexico City and at exactly the time appointed for Traven's appearance, a messenger arrived bearing a note.

It was from Traven, who said that he had suddenly been taken ill in the taxi on the way to the meeting and was now in hospital. He would write again the next day. Knopf recalled how the melodramatic second letter had read: "They have locked me up here. They've taken a lot of blood from me and pumped me full of God knows what. I'm afraid that they are going to . . . The note broke off as though the

Alias B. Traven



The death mask (top) behind which Berick Torsvan took the true identity of B. Traven to his grave.

All searches for the man who was B. Traven led to the blank stare on Torsvan's face (above).

himself known.

Paul Kohner, agent and film producer, told us of several occasions in the Thirties when he expected to meet Traven only for the author to dodge him at the last moment. Kohner, who was eager to film some of the books, conducted a lengthy correspondence with Traven. One day the author agreed to a time and a place for the long delayed meeting. Kohner waited in his hotel room in Mexico City and at exactly the time appointed for Traven's appearance, a messenger arrived bearing a note.

It was from Traven, who said that he had suddenly been taken ill in the taxi on the way to the meeting and was now in hospital. He would write again the next day. Kohner recalled how the melodramatic second letter had read: "They have locked me up here. They've taken a lot of blood from me and pumped me full of God knows what. I'm afraid that they are going to . . . The note broke off as though the

writer had been suddenly stilled.

It was with the filming of *The Treasure of the Sierra Madre* in 1947 that the first chink in Traven's armour appeared. While John Huston was writing the screenplay for the film he had corresponded with Traven and eventually travelled to Mexico City, where it was arranged that the novelist would make contact with him in some way. Huston described to us what happened after he had checked into his hotel.

He always slept, he said, with his door unlocked, and, shortly before dawn on the day on which he was to meet Traven, Huston awoke to find the shadowy figure of a man standing by the foot of his bed. The man took out a card and handed it to Huston, who read it. It said, "Hal Croves, Translator, Acapulco and San Antonio".

Huston could now get a good look at his mysterious visitor. He was a little man, thin and

rather frail-looking, and his clothes hung loosely on him. He had a long nose, white hair and grey-blue eyes. Huston spoke first. "How do you do, Mr Croves?" The man replied, "I have a letter for you from Mr Traven", and he handed it over.

In it Traven said he was ill and unable to come and that in his place he was sending his old and intimate friend Hal Croves, who knew as much about his books as he did himself and who was as well qualified to advise about locations. Croves could represent him in every way and furnish Huston with all necessary information.

Over the next few days the two men discussed the film at several meetings. Croves liked the script, which Huston showed him, and said he was sure that Traven would like it too. Indeed Croves's thoughts about the screenplay were distinctly similar to those Traven had expressed in his letters. Clearly this was someone who knew the author's mind well and who

was, in Huston's words, "obviously an old Mexico hand".

The idea occurred to Huston that this slight, elderly man might be Traven and that the letter was a kind of coded admittance of such, with its "he will represent me" and "he knows as much about my work as I do".

Yet Huston found it difficult to match the hesitant Croves with the expansive and fluent Traven he knew from the books and letters. Nevertheless, Huston hired Croves to work as technical adviser on the filming, which took place near the village of San José de Purua, about 140 miles west of Mexico City, in the spring of 1947.

Croves soon created considerable interest on the set; after all he was present and the author was not—a strangeness in itself, as it was known that Traven lived in Mexico. Croves disliked any questions about Traven. Occasionally, some brash spirit would ask point blank, "Are you B. Traven?" and Croves would turn away and change the subject. Huston never challenged him in this way.

The rumour that the "technical consultant" was really the author soon spread around the company, and Croves's reticent behaviour did nothing to discourage it. He avoided the stills photographer, and when cornered refused to have his picture taken, though he was once snapped unawares, sitting on the ground in singlet and wide-brimmed hat watching the filming. When the location shooting was finished Huston flew back to Hollywood and he never saw or corresponded with Hal Croves again.

The trail left by Croves went cold but not without leaving a young Mexican journalist, Luis Spota, searching for Traven by a different route. An unauthorized entry to a bank security box in Mexico City showed him that there was a connection between the correspondence address that Traven always used and an old man known as El Gringo, living on a smallholding in Acapulco.

Furthermore Spota discovered that this old man's immigration record gave his name as Berick Torsvan and his birthplace as Chicago. Not standing on ceremony, Spota and his colleagues lay siege to Torsvan and by intercepting his mail found that he received royalty money from the Traven books. They ingratiated themselves into his company and learned from conversation with him that he was familiar with and a great admirer of Traven's work.

One evening, as Torsvan took his daily walk to a dusty village square on the outskirts of Acapulco, Spota stepped out and confronted him with the accusation that he was really the author B. Traven. El Gringo was thunderstruck. He shook with rage, denied the charge and tried to flee. Spota and his photographer followed and cornered Torsvan in a cafe, where he snapped at them: "You are a son of a bitch. I am not B. Traven."

In fact, he said, he was the writer's cousin! Traven was actually in Switzerland. Then he changed tack: Traven was dead and he, Torsvan, was only one of several people who had a hand in the books. Spota was certain that this old man, El Gringo, was the real Traven and printed his story.

Torsvan died in 1969. When we visited his widow in Mexico City, it became clear from photographs, notebooks and other material in her possession that Torsvan and the Hal Croves who had materialized to meet Huston were one and the same. Everything we found in her house pointed to him being the author of the Traven books but far from dispelling the mystery this only expanded it.

Why had this man fought so hard to remain anonymous? Who was Torsvan really and where had he come from? What did he have to hide? He had apparently sprung into existence as a middle-aged man in Mexico in the 1920s. Of his life before that, nothing was known. None of the names and birthplaces he claimed for himself—and there were many—were ever supported by records. He had brushed over his trail to leave no clues to his past.

The most likely guess as to his true identity was that he was Ret Marut, a smalltime actor in Germany turned journalist and revolutionary. Marut had escaped from custody in Munich while being held for treason for his part in the Bavarian Revolution of 1919. He continued to produce some issues of his magazine *Der Ziegelbrenner* (The Brick-burner) while he was on the run and disappeared in 1923.

Torsvan's widow claimed that her husband had been Marut. But Marut was as mysterious a figure as Traven himself. He addressed political meetings, but only with the lights out so he could not be seen; he refused all enquiries about his identity and history; his official papers declared him to be variously English and American, yet he seemed to be German. His contemporaries took it for granted that Marut was a pseudonym but none of them knew his true name. There was a haunting rumour that the veil was drawn over his origins to hide the fact that he was the illegitimate son of the Kaiser. When Marut vanished he took his secrets with him.

As Marut always gave his birthplace as San Francisco, where all records had conveniently been destroyed in the fire and earthquake of 1906, there was no way of tracing him, or so we thought. But as Robinson and I explored the history of Ret Marut, investigated the friends and family of Torsvan/Croves, delved into the life of the Kaiser and studied the books and letters of B. Traven, we were provided with unexpected aid. The American Freedom of Information Act released to us papers from the FBI and the State Department, agencies which had taken a considerable interest in the rumours surrounding the left books of B. Traven and the revolutionary activities of the fugitive Ret Marut.

We were to learn that Ret Marut had indeed vanished from Europe only to transform himself into B. Traven. And we discovered that once and once only—in London—he let slip his true origins, the identity which lay behind the catalogue of false names.

Based on *The Man Who Was B. Traven*, by Will Wyatt, just published by Jonathan Cape, £8.50.



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REEDOM TO DEFAE

Mr Rooker, protected by the absolute privilege which attaches to proceedings in Parliament, ought not to be impeached or questioned in any court or place out of Parliament. No suit for defamation will be entertained. But that does not mean that parliamentary speech must be wholly immune from attack. Each House of Parliament may impose its own constraints and penalties—and does in certain directions, as when members become offensive about each other.

As with all parliamentary privileges, the first question to ask about this one is: what purpose is it supposed to serve? It has its origin in Parliament's assertion of its competence to debate and legislate on matters touching the royal prerogative. Monarchs, especially Tudor and Stuart monarchs, were sometimes disposed to regard that claim as impertinent, unwarranted, disloyal, and deserving punishment. The matter was not placed beyond all challenge until the revolution of 1688. Parliament has won the crucial right to control its own proceedings. Once that had been settled, absolute privilege remained to serve a different purpose. But the purpose is not to be defined by reference to unbridled speech, rather by reference to the ability of Parliament to discharge its constitutional function.

There will sometimes be a need for defamatory allegations to be made in Parliament if Parliament's work is to be done. There is always a need for Parliament to have regard to the effect of that practice on reputations outside. A Commons select committee reviewed parliamentary privilege in general in 1967. It

article declares that "the freedom of speech, and debate or proceedings in Parliament, ought not to be impeached or questioned in any court or place out of Parliament". No suit for defamation will be entertained. But that does not mean that parliamentary speech must be wholly immune from attack. Each House of Parliament may impose its own constraints and penalties—and does in certain directions, as when members become offensive about each other.

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was aware that absolute freedom of speech raised a problem about protection of the citizen from abuse. An unwarranted allegation will usually, it said, be withdrawn if shown to be unwarranted. But it may not be withdrawn; the member making the allegation may not be satisfied that it was unwarranted. Should the citizen then have a right to some sort of inquiry to clear his name? The committee thought not: the right to hold such an inquiry should, as now, be that of Parliament, if and when it thinks fit, rather than that of the citizen. It is only in Parliament that the member's "freedom of speech and debate" should be "impeached or questioned".

That is right, but the committee had little to say about the circumstances in which an inquiry would be appropriate. Nor did it have anything to say about the conditions which should govern an MP's freedom to defame. That is also a large omission from textbooks on parliamentary practice. Should a member not give notice to the person he intends to attack? Should he not have exhausted all other means open to him to get at the truth of the allegation before publicizing it? Is it not quite wrong to use the privilege merely as a quick and noisy way of testing suspicion?

Mr Rooker's is the second case of its kind in the space of a few weeks (the other was Mr van Straubene's generalized charges against the Director of MIND). The House requires stricter conventions for the exercise of its members' freedom to defame and a recognized procedure for calling them to account.

3 PEOPLE WANT TO LEARN RUSSIAN

In the news is full of reports of the decline in the number of students taking Russian in British universities. It is an especially timely time to insist on the need for a fuller understanding of the Soviet Union, which is still in the process of becoming a superpower. It is also a time to insist on the need for a fuller understanding of the Soviet Union, which is still in the process of becoming a superpower. It is also a time to insist on the need for a fuller understanding of the Soviet Union, which is still in the process of becoming a superpower.

fast as the number of teaching posts. But in 1970 demand began to fall again, and today it is only half what it was. With the coming decline in overall student numbers and the financial pressures on universities, the case for closing some of the very small departments of Russian, as proposed by the UGC, and concentrating resources is strong.

Resistance to the changes is not wholly a matter of academic inertia, however. The committee which recommended the closures did give the impression of having worked on an unduly narrow basis. Many of the smaller departments collaborate in courses with other departments, so that the effect of their disappearance would be felt by other students than their own. Teachers stress the importance of a "Russian presence" however small, at as many universities as possible, to give students the opportunity to approach Russian late or as a subsidiary interest. Teachers of Russian often teach other related languages as well, which would also suffer. There is a fear that other so-called area studies would become vulnerable if Russian was cut back (though few of them are quite so dispersed or poorly supported by applications). It is also pointed out, quite fairly, that the economic savings from the proposals are both small and speculative.

These factors may have deserved more attention than the committee gave them. But it is hard to reject the argument that the state of demand requires extensive retrenchment and concentration. In acknowledging this fact, however, it is a pity that the UGC did not also deplore its demand for university courses reflects the scale and quality of teaching in school quite as much as it reflects the spontaneous interest of students. The plight of Russian is only one aspect of the unsatisfactory state of modern language teaching in secondary schools. Far more eleven-year-olds start to learn a language today than ten years ago, but fewer than half of them go on beyond fourteen. At the same time French has steadily driven out other languages. This reflects spending cuts (which tend to affect minority interests first), and reflects also, no doubt, when pupils know that it is harder than it was to find jobs, the traditional conviction in British industry that skill in languages is something only to be expected of foreigners. The state of language studies in Britain is only a reflection of a deeper insularity. The UGC is right to see that the case of Russian already demonstrates that demand for a language cannot be created by action at university level alone.

Unic cuts

Chairman of the New Universities Association, Sir John Birt, has announced that the association will be asked to consider the possibility of a merger with the United Kingdom Universities Association. The association will be asked to consider the possibility of a merger with the United Kingdom Universities Association. The association will be asked to consider the possibility of a merger with the United Kingdom Universities Association.

tempo of similar new associations with Germany, Japan and France; all of which are vigorously promoting increased cultural and intellectual interchange with New Zealand, and which are already benefiting from the withdrawal of British cultural influences, by fulfilling the ever present need for academic cross-fertilization at an international level.

The New Zealand Vice-Chancellor's Committee is convinced that the future role of the British Council is of crucial importance to the long-standing links between New Zealand and United Kingdom universities and to the deep concern of the New Zealand universities for the continuation of these links. Yours faithfully, R. O. R. IRVINE, Chairman. The New Zealand Vice-Chancellors' Committee, PO Box 56, Dunedin, New Zealand, June 11.

Ordinance survey costs

From Mr John Wright. Sir, It is to be hoped that a proportion of the charges to be collected by local authorities for planning applications, as announced in your columns yesterday, will be passed on, or credited to, the Ordnance Survey, to whom the whole planning procedure would break down. Without the existence of their comprehensive, accurate, and up to date large-scale plans, applications would be obliged, as they are in other, less well-served, countries to employ private land surveyors to prepare special plans at much greater cost. In this country applications would be obliged, as they are in other, less well-served, countries to employ private land surveyors to prepare special plans at much greater cost.

According to the recently published Serpell report, keeping these plans up to date by continuing surveys at the Ordnance Survey about £20m a year more than they can collect in copyright or other fees from the Land Registry and local authorities or other users. Since it is not the land which changes but the man-made features on it, the bulk of this revision is unnecessary, by physical changes resulting from successful planning applications. It would seem equitable, therefore, that the Ordnance

Survey, as well as the local authorities, should be helped to balance its budget by receiving a fair share of the charges now to be imposed, quite rightly, on those who make these changes. After all, the cost to them would be negligible compared with the considerable capital sums they plan to spend—and ultimately receive as profits—from successful applications.

In the present financial climate any government department which makes a loss over its products is liable to be threatened: but whatever the rights and wrongs of public versus private surveying we cannot change our system now. It would be madness to let the cheap and comprehensive public large-scale plans we have now get out of date because the cost of maintenance is not being recovered from the property owners who both make it necessary and benefit from it.

Yours faithfully, JOHN WRIGHT, Webb's Farmhouse, Cuckfield Road, West Wittering, Chichester, June 18.

London tower blocks

From Mr Wesley W. Richards. Sir, Sir John Betjeman, being a patron of the Society of Architectural Illustrators, should not dismiss work of its members in the manner that he has of my illustration of the so-called "Green Giant". The artist's impression is a typical PRO job for developers, he writes (June 9). It is not an "impression" but an architectural illustration constructed from architects' drawings, Ordnance Survey maps, and photographs of existing surroundings taken on site visits.

To quote *Building Design*, April 11: "And in contrast to the distorted antics of certain sections of the media, the Richards perspective has been generally accepted as a very accurate representation of the building which may one day stand opposite the Tate Gallery." Regarding its scale, I think that is shown by the indication of its surroundings. Yours faithfully, W. W. RICHARDS, 121 The Avenue, West Wickham, Kent.

What might have been in 1940

From Mr Julian Amery, MP for Brighton Pavilion (Conservative). Sir, The "might have beens" of history are usually more entertaining than the actual events. But Charles Cruickshank's article (June 16) on the 1940 proposal for a Franco-British Union so misunderstands its purpose that it cannot be allowed to pass without comment.

When Jean Monnet and my father, Leo Amery, put forward the proposal—and Sir Winston Churchill accepted it—the battle for France was already virtually lost. It was their hope, however, that the proposal would lead the French Government to continue the war from Algeria. Had they done so the French Navy, which we later had little option but to destroy at Mers el Kebir, would have remained with the Entente. So would the French armies in North Africa and substantial French forces which could still have been evacuated from the theatre of France to North Africa. The entire French Union, including Syria and the Lebanon, would have been on our side. No Vichy Government could have claimed legitimacy. New French armies could have been raised from the French and Arab populations of Algeria, Morocco and Tunisia.

In these circumstances the Italian position in Libya faced with French forces in North Africa and General Wavell's army in Egypt would rapidly have become untenable, with incalculable consequences for the progress of the war. The "Torch" would never have been needed since we would have secured in 1940 without bloodshed what we only achieved in 1943 after bloody battles. Thousands of lives would have been saved. The war might have been over by the time it was over. It would have been shortened by two years—the time it took to recover North Africa.

Nor should we underestimate the political significance of what might have been. Given legitimate and equal French participation in a Franco-British Union and a much greater French military contribution to the war, the French movement could ever provide we should have spared many of the tensions in Anglo-French relations which sprang basically from the material weakness of the Free French. The joint Franco-British contribution on land and at sea and in the air would have been a formidable one. The Americans in manpower if not in supply. Together we could have spoken with a much louder voice at Yalta and in the other postwar deliberations which, in the absence of a powerful French voice, led to the disintegration of the British Commonwealth as well as the French Union.

Of course there would have been difficulties and frictions. But the same people—like Churchill, Monnet and my father—who inspired the original declaration for a Franco-British Union would have pressed for a united Europe based upon it. The French might well have achieved the fluid climate of the late 1940s a European Union better suited to the interests of Britain and France than the Europe of the Treaty of Rome. To denigrate the proposal today on the ground of unrealistic comparisons between Britain and Gaul is to underline the lack of imagination and magnanimity which is so characteristic on both sides of the Channel of our contemporary approach to the issues which confront us—no less mortal today than in 1940.

Yours faithfully, JULIAN AMERY, 112 Eaton Square, SW1, June 19.

Business as usual

From Mr Jonathan Webber. Sir, What further atrocities will the Russians have to commit in Afghanistan (see paragraph by Mrs Thatcher), so as to convince our Western governments that they should not continue those economic relations with the Soviet Union that facilitate its foreign aggression?

In such areas as preferential loans or the sale of EEC butter mountains, it is business as usual with the Russians. Supplying essential goods of this kind enables the Kremlin to patch up its domestic weaknesses and thereby focus its energies on military expansion abroad. Is this not complicity on our part in the murder of the Afghan nation?

The Olympic athletes have been offered their chance to demonstrate any moral or political conscience they may have: why does our Government have to add insult to injury by remaining equally equivocal?

Yours faithfully, J. M. WEBBER, The Cottage, Park Hill, Wheatley, Oxfordshire, June 12.

A future in education

From Mrs Margaret Sankey. Sir, Mr J. David Dawson, Head of Mathematics at Stowmarket High School (June 16), will not be surprised to learn that earlier this year our daughter, aged 18 and totally inexperienced, got a job as a shop assistant in a well known London department store at a basic salary of £3,276 per annum (more with overtime).

In October she will be going up to Oxford to read Modern Languages. After four years up at Oxford, plus a further year for the Diploma of Education, she could eventually qualify as a teacher. Unfortunately, her salary would hardly be any more than that earned five years earlier as an inexperienced shop assistant.

It is with some wistfulness that I am positively discouraging her from following in the footsteps of her father and grandfather, by joining the teaching profession. Yours faithfully, MARGARET SANKEY, Oak Farm, Bole, Norfolk, June 17.

Confidentiality versus public interest

From Mr Anthony Lewis. Sir, The discussion in your columns of British Steel v Granada Television (Law Report, May 8) touches issues that have been much debated in the United States. Since the case in the light of American experience may help, I think, to bring out the real interests at stake.

What has attracted attention in Granada is the claim that journalists should have a legal immunity from having to disclose their confidential sources. This same claim was rejected by the United States Supreme Court in 1972, in *Branzburg v. Howell*, a case in which a reporter was summoned before a grand jury to give evidence of a crime he had witnessed. By a vote of five to four, the Supreme Court held that there was no absolute right to privacy when public interests are affected, and similarly there should be no absolute right to recover for a breach of confidence that has in fact served an important public interest.

Most of the American press criticised this decision. But some of us thought then and still think that it would be unhealthy for the press to have a general testimonial immunity. We believe, rather, that the obligation to testify should apply only in a court, weighing the facts in each case, decides whether a reporter has been called for reasons that do not justify the risk to a free press: for purposes of harassment, for example, or for political reasons. And in a court the Supreme Court decision in just that way, weighing the balance from case to case.

If I understand *Granada* correctly, the court of Appeal followed the reasoning in part of the *Branzburg* decision. In your country as in ours, I suspect, this is a time that requires more, not less, public accountability. Yours faithfully, ANTHONY LEWIS, The New York Times, Boston, Massachusetts, June 12.

University cuts

From Dr Michael Loeve. Sir, Sir Cecil Parrott's letter (June 18) draws attention to a problem that requires speedy solution if the advances of the last three decades are not to be forfeited through lack of foresight.

It has been apparent for some years that before long universities will find it difficult or even impossible to maintain viable establishments for those subjects whose intrinsic interest demands provision on a wide scale, but which do not attract students in sufficient numbers to satisfy the crude statistical considerations of a staff-student ratio. As the financial pressures on universities increase, so may they be tempted or even obliged to weaken their support of such subjects in order to strengthen those which happen to be fashionable. Such decisions would run counter to one of the prime objectives of a university, that of directing attention away from the ephemeral and towards the more permanent achievements of man.

It has also been apparent that the development of subjects such as Oriental Studies in Britain has been far from ideal. In general the scarce resources of teaching talent have been deployed among too many centres of learning, and classes of elementary language teaching have been duplicated among several universities, to the detriment of students. Honours degree courses provide scope for particular parts of a subject: no university could claim that it can present more than some aspects of a great culture's contribution to

danger in the decision lies in this last point, the doctrine of confidence, rather than in the failure of the claim for general journalistic immunity.

The law of confidence, judicially developed in England, does not exist in the United States. As viewed from our perspective, it is a strange and troubling creature, especially in the form it has taken in recent years. In the *Shaddock* case, the law was said to bar the disclosure of company documents even though they might have brought to light faulty drug-testing methods that had caused a human disaster and might still be endangering people. Even more doubtful is the application of the confidence doctrine to a state venture such as British Steel, whose asserted planning mistakes and financial follies should be of concern to the shareholders: the public.

What is lacking in such judicial definition of the law of confidence is the weight of the public interest. Of course confidence is an important value in a civilized society: American law protects something like it under the heading of privacy. But there can be no absolute right to privacy when public interests are affected, and similarly there should be no absolute right to recover for a breach of confidence that has in fact served an important public interest.

The real issue in *Granada*, then, is not journalistic privilege but the undifferentiated application of the law of confidence. Courts develop the law, Justice Holmes said, in response to the needs of the times. In your country as in ours, I suspect, this is a time that requires more, not less, public accountability.

Yours faithfully, ANTHONY LEWIS, The New York Times, Boston, Massachusetts, June 12.

the humanities. Thanks to the dispersal of effort, scholars whose research lies in subjects such as the history or philosophy of the East are not always able to find immediate colleagues who can advise them as experts in language or literature.

The urgent need is for the regional concentration of academic effort, to ensure that by the mid-1990s (when a high proportion of university teachers in these subjects are due to retire) there will survive a few well staffed establishments which can jointly provide as wide a coverage as possible without wastage of effort. If these studies are not to be doomed to suppression by way of natural attrition there are two possibilities: first, the imposition of a plan to rationalize the national effort in this respect, in ways that suit political or administrative authorities; second, the recommendation of plans for consolidation by the universities themselves.

Some of us are in no doubt that the second of these alternatives is the more desirable and that it could be a far more effective and speedy remedy than the first. Dare we hope that a series of working parties may be set up by the universities that are concerned, with a view to advising on the future of these subjects (e.g. Oriental Studies, Slavonic Studies, African Studies) in Britain? Yours faithfully, MICHAEL LOEVE, Faculty of Oriental Studies, University of Cambridge, Sidgwick Avenue, Cambridge, June 18.

Resolution 242

From Sir Harold Beeley. Sir, The European statement (report June 14) has been declared unacceptable by the Popular Front for the Liberation of Palestine on the ground that it upsets Security Council Resolution 242. "This resolution", the PFLP spokesman is reported as saying, "considers the Palestinians merely as refugees rather than a people".

It is perhaps not surprising that he should hold this opinion, which has been repeated so often and in so many contexts that it has become part of the mythology which has for so long complicated discussion of the Arab-Israeli dispute. It is, however, nonsense.

There is indeed a reference to refugees in Resolution 242 (just as there is in the Camp David agreement), but it is clear that this relates exclusively to those Palestinians who were in fact refugees, displaced from their homes in the years of 1948 and 1967. It was not intended to have any relevance to the Palestinians still living in their homes on the West Bank and in the Gaza Strip, who were covered

simply and comprehensively by the quite separate provision for Israeli withdrawal.

There was no mention of Palestinian self-determination in 1967 because until the outbreak of war in that year the West Bank was a part of Jordan and the Gaza Strip a territory under Egyptian administration.

In the intervening years the situation has been modified by the explicit or tacit withdrawal of Jordanian and Egyptian claims in favour of the Palestinian people. It is certainly desirable that this development should be regarded by the United Nations. But it is hardly accurate to describe the proposed new resolution as an amendment or revision of Resolution 242, since it would not modify in any way the requirement for Israeli withdrawal. It would be a supplementary resolution giving international recognition to new relationships legitimately agreed between interested Arab parties. HAROLD BEELEY, Reform Club, Pall Mall, SW1, June 16.

Famine relief in Africa

From Mr Stephen Wells. Sir, The famine in Northern Uganda, South Sudan and Ethiopia has reached enormous and quite intolerable proportions. The grotesque conditions shown on television news cannot fail deeply to move those watching; if only to switch off the news.

The Government has sent some limited aid. Many individuals have donated to the recognized charities. We believe that the business community in Britain has a key role to play in sufficient money is to be made available. As a start the 10 of us at The Consumer Connection, a small market research agency, have decided to donate 1 per cent of the company's anticipated net pre-tax profits this year to Oxfam for famine relief in North-east Africa. An advance donation of £250 has already been dispatched. If necessary we will work through a Bank holiday over a weekend to offset the effects of this donation on company profitability.

We urge other companies to follow our example, and maybe demonstrate that the "British disease" is but an attitude of mind, while the suffering of the people in North-east Africa is real. Yours faithfully, STEPHEN WELLS, The Consumer Connection Limited, 51 Villiers Street, WC2.

At home in the Palace

From Mr Paul Paget. Sir, As the survivor of the two architects, Seely and Paget, who were responsible for the immediate war damage repair and reorganization of Lambeth Palace, may I record that our plans were designed to accommodate Archbishop and Lady Elizabeth's family of six sons plus their aunt, Lady Fisher's sister, Miss Forman, whose role it was to look after the surplus rooms for visiting clerics. Thus the palace was a family home if ever there was one and the frequent accompaniment of DIY music.

The lift, to which Mrs Wood (June 16) has referred was of some what massive design to accord with the nineteenth century architect Blom's neo-Gothic details and suffered some teething troubles in those early postwar days. I recall that on our apologizing for another of the all too frequent breakdowns, Archbishop Fisher, at once the most stimulating and most patient of clients, reassured us by saying that he really rather enjoyed a failure between the floors since remembering always to take his pipe and a book with him when travelling up or down by lift.

Yours faithfully, PAUL PAGET, Templewood, Northrepps, Nor Cromer, Norfolk.

Support for the new liturgy

From the Master of Emmanuel College.

Sir, In following the controversy over the revision, or rather, the replacement of the Book of Common Prayer I have been collecting the letters that have been written to *The Times*, *The Daily Telegraph*, *The Guardian* and *The Church Times*. I hope to give a further account of them eventually, but meanwhile your readers may be interested in a kind of mini-Gallup Poll summary of the numbers of those writers of letters who are for or against the new liturgy (essentially, Series Three). I may have missed some letters and there are many qualifications to be made, but the broad outline seems clear and the conclusions obvious.

The letters begin on December 21, 1978, in *The Daily Telegraph* following the publication of two articles by Professor David Martin on December 18 and 19, 1978, and the latest of letters counted are from your issue of June 14, 1980. The grand totals include a few cases of more than one letter written by the same person, and some letters which are equivocal, but I have allocated them all in one side or other as best as I can. The numbers of letters are: from clergy in favour of the new liturgy, 48; from clergy against, 18; from lay people in favour, 17; against, 68.

Counting heads is no substitute for rational discussion. These numbers are small and crude; furthermore, the revisionist newspapers themselves have published unrepresentative numbers of letters. You yourself, Sir, declined in December, 1979, to publish a letter from me and five others all opposed to the new liturgy, and that one letter would have had some effect on the numbers I have counted. Bear in mind these and other qualifications, one may still emphasize the feebleness of lay support for the new liturgy (17 against 68). Clerical support for the change, though strong, is not quite so overwhelming (48 against 18).

The present situation is thus very different from that of the early sixteenth century which is sometimes quoted as a parallel. At that period there was a well-attested widespread passionate desire of many among all classes of the English people to have the Bible and liturgy in English. There is no corresponding desire for radical change among the vast majority of literate lay people now.

Our situation is also very different from the successive sixteenth-century revisions of the English Mass. In the sixteenth century there was a strong effort to preserve as much continuity with previous versions as possible.

But it does indeed seem to be the case that the great majority of the laity have now returned, or are being returned, to that situation of the liturgical sheep, who look up and are not led, from which the Reformation was an attempt to deliver us. Yours faithfully, DEREK BREWER, Emmanuel College, Cambridge, June 16.

Katherine Mansfield

From Miss Katherine Middleton Murry. Sir, In her article on Katherine Mansfield (June 19) Miss Kay Dick's remark about my father, John Middleton Murry, appears to me very unfair.

Miss Dick forgets Katherine Mansfield's own explicit wishes (described in detail in Antony Alpers' biography). Namely, to her will, she asked her husband to "leave as few traces as possible of her camping ground" and gave him sole responsibility in the publication (as little as possible) or destruction of her writings which included everything in secret notebooks, etc. In order to protect people that were still living, and also for her sake, he withheld certain details of her private life. Many more she concealed from him. And he did not pretend to be a bad person, but his integrity is beyond reproach. He did, it is true, have a bad memory. This is no "excuse" invented by Antony Alpers to cover up "deviousness" but a simple fact. And they were both so young, he more so than her, in every way.

The few of her early writings that escaped her own destruction Katherine Mansfield did not want published. JMM was absolutely faithful to her wishes, in the untarnished fact, that she elected to leave to posterity—and to her husband. Must he be faulted for that? Yours faithfully, K. M. MURRY, Church Cottage, Bury St Edmunds, Suffolk, June 19.

A pretty pickle

From Mrs D. M. Burrell. Sir, Is it not ironic that at a time when a government committee is worried about the trend to label factory-produced foods as "Farmhouse" or "Country" fare (your Food Report today, June 13), the Stockton Council tries to banish the Women's Institute preserves which are just that? Yours faithfully, D. M. BURRELL, Coombs Lea, Trimley Lane, Stoney Middleton, Sheffield.

Fair to middling?

From Mr Paul Adams. Sir, Roy Jenkins is not the first British politician to propose a centre party. In fact, the recent statements brought to mind the remark of Harcourt's when Randolph Churchill was floating a similar idea in the 1880s. "I hear that Randolph is starting a new centre party," someone commented to Harcourt. "Ah, yes," was the reply. "All centre and no circumference." Yours faithfully, PAUL ADAMS, Jesus College, Oxford.

Tennis

Miss Austin almost flawless in victory

By Rex Bellamy
Tennis Correspondent

Tracy Austin and Wendy Turnbull, second and sixth in the Wimbledon seedings, will contest the difference between 300 and £4,750 in the singles final of the BMW tennis tournament at Eastbourne today.

Miss Austin, 10 years the younger, did not lose a set in either of her previous matches this year, but this will be the first time they have played each other on grass, a surface that should give Miss Turnbull cause for hope if not for confidence.

Australian ace yesterday at Devonshire Park had the best grass court in the world and Miss Austin conceded that they might be a little better than those at Wimbledon.

It was remarkable that either player should find anything good to say about playing tennis at Eastbourne. Wind was again a persistent hazard, although sound discipline for the concentration. Two breaks for rain stretched Miss Austin's 36-minute match with Mercer to nearly two hours.

Miss Austin won 6-0, 6-1, losing only seven points in the final eight games and only 22 in the match.

Miss Louie had a relatively lightweight game that could not cope with Miss Austin and the wind. Miss Austin's driving was so hard and accurately deep that Miss Louie never had a chance to



Miss Austin: showed discipline in awkward conditions.

get into the match. Miss Austin was almost flawless in doing what she had to do. She looks in good form for Wimbledon but it will be interesting to see what questions Miss Turnbull has to ask her.

Miss Turnbull beat Greer Stanger 6-2, 6-1 in less than an hour. The match was remarkable for the fact that 12 of the 19 games were service breaks. When Miss Turnbull's edge was the fact that she won her last two service games in each set. It helped, too, that she was light and quick on her feet and the smarter

Miss Stevens should not be discouraged. Her left leg is mostly encased in a heavily bandaged

brace to protect a rebuilt left knee: and this is her first tournament since she chipped a bone in her right ankle. As the hospital bulletins put it, she is making satisfactory progress.

Orantes compensated

Manuel Orantes, who lost by default in the French Championship, was compensated for his fourth round match against Guillermo Vilas after Vilas had been granted a 45-minute delay because of illness. He is to receive £1,400 in compensation from the tournament. This was agreed at a meeting of the Men's International Professional Tennis Council in London yesterday.

Mayer wears the trousers on way to singles final

By Sydney Friskin

Two Americans—Alexander (Sandy) Mayer and Brian Gottfried—will meet today in the men's singles final of the Surrey Grass Court championships. Gottfried is seeded number three, but Mayer is unseeded and came into the event only on the wild card system.

In the semi-final round yesterday, Mayer beat Peter Földi of Austria 6-3, 5-7, 6-4 and Gottfried defeated Christopher Lewis of New Zealand 6-3, 6-2. Both matches were interrupted by rain, the earlier one having a longer hold-up because of a dispute, not over a line call, but an unconditional agreement.

When play was about to be resumed, Mayer, probably feeling the climate unfavourable, appeared on court wearing blue trousers and a white shirt. He was asked to remove them by the umpire, but on appeal to higher authority, was allowed to wear them for two games. He started the resumption by breaking Földi's service.

The delay irritated Földi, who when play was suspended at one game all and deuce on his own games in the third set, wanted to

continue at least until the end of the first set, when Mayer's suspension of play later, when the net broke clear of its moorings, and had to be readjusted. Földi lost patience.

The Austrian found the volley an expensive play in the first set, putting several into the net or out of court. So, with a break of service in the fourth game, Mayer won the first set easily. He had much difficulty holding his service in the second and was taken to six before he managed to win it. A break of service in the twelfth over a line call, but an unconditional agreement.

There were more exciting rallies on court wearing blue trousers and a white shirt. He was asked to remove them by the umpire, but on appeal to higher authority, was allowed to wear them for two games. He started the resumption by breaking Földi's service.

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El Shafei out to turn back the clock on Borg

Imam El Shafei, one of only three men to play the 1974 Wimbledon, will meet him again on the Centre Court on Monday when the Swede begins his bid for fifth successive title.

El Shafei, who defeated Borg in 1974, had to qualify for the first time and beat Glen Petrovic of Australia 6-3, 6-2, 5-7, 6-4 before being drawn to play Borg.

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Golf

Mrs Sander is a force once again

By Peter Ryde

The final of the British Women's Amateur Golf Championship over 18 holes this morning at Woburn held 69, will be between Mrs Ann Sander, three times British champion, and Mrs Lay Wollin, who won the title in 1974. Mrs Sander was a force in European golf for nearly a decade before she married eight years ago. So the championship remains in overseas hands, whereas Mrs Sander has been a force in British golf since she came to the country in 1974.

Only Carole Caldwell made the semi-final round from the home counties. She kept going to the end, driving confidently, but she was up against an entirely new Mrs Sander from the one we have known in the past few years.

Mrs Sander, who had a 15-year-old son at a club, won the first of her three United States championships 22 years ago at the age of 20. In the seventies she and her husband came to Britain by the back door, but she has since become a force in British golf.

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Not even Marie de Lorend, the young French girl who yielded the four-wood so effectively in the earlier rounds. But yesterday the wind was stronger, blowing from the west, and Mrs Sander, who has been a force in British golf since she came to the country in 1974, was up against an entirely new Mrs Sander from the one we have known in the past few years.

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Card of course

Hole	Yds	Par	Hole	Yds	Par
1	335	4	10	279	4
2	282	4	11	390	4
3	390	4	12	121	3
4	390	4	13	252	4
5	143	3	14	419	4
6	412	5	15	291	4
7	369	4	16	318	4
8	482	5	17	252	4
9	482	5	18	252	4
Out 3,044			In 2,937		

It took most of the semi-final round to separate Miss Sample

from Mrs Wollin, who had won four of the last five holes in the morning. "Not a flush to remember," the Scottish champion said. "It is a hard championship to win and the winners are running out." (She has been runner-up three times). Miss Sample eventually lost the Swedish stroke play championship in with Miss Wollin, who had won the title in 1974.

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Racing

Scorpio's trainer has no cause for alarm

By Michael Seely

So the show is over for another year. Once again Royal Ascot has been the greatest fun almost for many people that I met had shown a profit. But some good horses have been seen in action. The highlight of course was Le Moss's second successive triumph in the Gold Cup. On the opening day, Elia-Mama-Moo and Shoot A Line put up high class performances in the Prince of Wales's and Ribblesdale Stakes respectively. And Guy Harwood showed us a promising two-year-old in the Coventry Stakes winner, Reclamation. On Wednesday the crowd were treated to a thrilling battle between Cairn Rouge and Quick As Lightning in the Coronation Stakes.

Yes today Paul Kelleway sprang something of a surprise when winning the Queen's Stakes with African Song. This result confirmed the general impression that there is a dearth of good sprinters in the fourth game, and a plucky effort in beating Abdur Rummert, but the three-year-old cannot be considered in the same category as such recent winners of this race as Flying Around, Lochner and Solinus.

The other pattern race, the Hardwicke Stakes, fell to the French rider, Guy Harwood, who was selected the most prize money, his three successes with Paddy, Le Moss and Light Cavalry having won the race in 1977, 1978 and 1979. This was a natural conclusion to a series of races in which the French have shown their experience in this country with Nureyev and Trepan. But the

inquiry had nothing to do with Scorpio and the placings remained unaltered. Scorpio is a half brother to Sagaro and like the triple Ascot Gold Cup winner was bred by Gerald Oldham.

The General-bred Alexander is keen to have a tilt at the King George VI and Queen Elizabeth Diamond Stakes with Scorpio, on whom Philippe Pagnier rode a faultless race. But Bontin showed a marked preference for Le Marmot as his candidate for Ascot's richest prize. Bontin also had better news of Nureyev, who is scheduled to make his reappearance in the Prix Jacques Le Marois at Deauville on August 17.

That crazy six-furlong dash, the Wokingham Stakes, resulted in a 2-1 victory for Queen's Pride, trained by Paul Cole, who also won this race with Caliburn. This was a triumph for the gelding's owner-breeder, Mrs L. D'Ambrunelli, who was advised by Michael Phillips to send the four-year-old's dam to Royben.

Dick Hern ended the meeting on a triumphant note by winning the 1000 Guineas with the Queen Alexandra Stakes with Balinger, who is now to be aimed at the Goodwood Cup. Major Hern had four winners at the meeting, but Henry Cecil selected the most prize money, his three successes with Paddy, Le Moss and Light Cavalry having won the race in 1977, 1978 and 1979. This was a natural conclusion to a series of races in which the French have shown their experience in this country with Nureyev and Trepan. But the

Ascot programme

(Television (BBC 1): 2.0, 2.30 and 3.0 races)

2.0 HALIFAX HANDICAP (3.090: 2m)

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THE TIMES

BUSINESS NEWS

Strong support likely for £1,600m new issues of government stock

By John Whitmore
Financial Correspondent

The Bank of England has announced two new issues of government stock for a total nominal amount of £1,600m. The proceeds will help to cover the Government's financing needs between now and the end of August.

News of the stock issues came as no great surprise to financial markets and preliminary indications last night were that the stocks could receive strong support when applications fall due next Wednesday.

The larger of the stock issues is an offer of £1,000m. Treasury per cent 2000. At the minimum tender price of 96 per cent, the gross redemption yield is 13.59 per cent and the running yield 13.54 per cent. The stock is payable as to £30 per cent on August 8, and the balance on August 29. A total of £50m of the stock is being offered to the Commissioners for the Reduction of the National Debt.

As far as the Government is concerned, the recent appetite for gilt edged stock must be welcome. Sales of stock to non-bank private sector investors played a crucial part in controlling the growth in the money supply, since investors have to draw deposits out of their banks to pay for new stock.

If both stocks are sold on application or fairly soon afterwards, the monetary authorities will probably feel rather more relaxed about the immediate money supply outlook after the 2.1 per cent jump in the May money supply announced on Thursday.

On the more favourable outcome, they will have seen up nearly £1,300m of funding for banking July and just over £1,000m for banking August.

This could help the authorities feel more inclined to lower MLR within the next few weeks, but they have, however, already made it clear that they will not form interest rate judgments on the basis of the behaviour of sterling M3 alone.

The smaller issue is an offer of a further £600m of Treasury 12½ per cent 1985. The minimum tender price has been set at 98.25 per cent to offer a flat yield of 12.47 per cent and a gross yield to redemption of 12.72 per cent. The stock is payable as to £40 per cent on application, the balance falling due on August 1.

The initial view in the gilt market last night seemed to be that the stocks should prove attractive to investors provided nothing happens over the next two or three days to upset the recent buoyancy and optimism in the market.

The long dated stock is designed to appeal largely to the life assurance and pension funds. The shorter dated stock is designed to appeal to the stock of both shorter and longer maturity.

The 1985 stock should attract a broader range of investors and is the kind of stock that may well appeal to overseas investors. They are reported to have been significant buyers of United Kingdom Government stock over the past few weeks, though just how much they have bought is difficult to estimate.

N Sea returns keeping company profits afloat

By Caroline Atkinson

Company profits were kept afloat in the first quarter of 1980 by North Sea oil, banking and other financial profits, the public industries increased their trading surpluses by 9 per cent in the first three months of the year. These industries are expected by the Government to have a dramatic turnaround in their finances to help to cut public spending.

The Government's own spending on goods and services went up slightly — by 2 per cent — in the three months. In the financial year as a whole, the Government did not manage to cut its direct spending from the level of 1978-79. It was also a little higher in 1979-80.

Investment plunged by 4 per cent between the fourth quarter of 1979 and the first quarter of this year. This was the major factor in the 1 per cent fall in gross domestic product in the quarter.

The biggest investment falls were in the public sector. Housing and investment in public services has dropped sharply, and is expected to fall even more as part of the Government's public spending cuts.

Manufacturing industry also cut back its investment during the period as did the North Sea oil and gas industry. The drop in investment was almost matched by rises in consumer spending and exports during the first quarter, leaving final demand little changed.

nationalized industries earlier this year helped to swell their profits. Despite the steel strike and its effects on British Steel's profits, the public industries increased their trading surpluses by 9 per cent in the first three months of the year. These industries are expected by the Government to have a dramatic turnaround in their finances to help to cut public spending.

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Participation of developing nations vital in strengthening Gatt, Carter adviser says

Call for code on world trade safeguards

Western unity should be the overriding consideration for world leaders meeting at this weekend's Venice summit, according to Mr Reubin Askew, the United States' special trade representative.

In a wide-ranging interview, Mr Askew, a member of President Carter's cabinet, emphasized his request that European support for American economic sanctions on the Soviet Union had not been greater.

Mr Askew said the United States had no intention of changing its trade policy towards the Soviet Union. "We simply cannot do business as usual with the Soviet Union with the invasion and continued occupation of a neutral country."

The invasion was "as much a challenge to peace in Europe, to the United Kingdom, as it is to the United States. . . . This is not just an American problem, but a world problem."



Mr. Reubin Askew: Possibility of serious problems between major trading partners.

He stressed the great need to maintain free trade to strengthen the General Agreement on Tariffs and Trade (Gatt) and to reduce the level of taxpayers' money spent by governments to finance exports.

The world trading system "is strained and it is going to be tested". Great care was needed in granting import relief to particular industries. At times this relief was justified for all countries, but clear distinctions had to be drawn between this and "blatant protectionism".

Protectionism would already be much greater had it not been for the successful conclusion last year of the multi-lateral trade negotiations. Now the problem was to anticipate trade difficulties rather than just react to them in times of crisis. "The potential certainly exists for serious problems between the major trading partners."

The Venice summit is expected to discuss export subsidies, and Mr Askew said that the United States would be keen to discuss export assistance.

other countries. This could demonstrate that the best option for all countries was to eliminate this type of subsidization of exports.

It would help if the Gatt were strengthened and turned into an organization which initiated action on many fronts. To do this it was essential to increase the involvement of developing countries. This would only be possible if major powers restrained the use of selective trade safeguards and showed more discipline.

Mr Askew said he wanted a code on safeguards and was pleased that the British Government appreciated his point, although the EEC still resisted the idea.

The Carter Administration did not plan to restrict imports of foreign cars for the time being, despite the depression in the domestic industry, Mr Askew said.

Anti-trust measures made it difficult for the Administration to ask foreign companies to show voluntary restraint in exporting to the United States. The Administration might advocate some relief for United States industry if domestic economic conditions grew worse.

Mr Askew did not rule out the eventual imposition of some import relief for the American steel industry. He would not speculate on what form this would take, but he did emphasize that there could be need for changes in domestic taxes and environmental regulations to aid domestic steel makers.

The US Steel company's complaint of dumping by European steel manufacturers could reach initial decision in September or October. However, as the deadline drew nearer, there could be "tempering of positions on both sides" which might enable US Steel to withdraw its petition.

The clear implication is that the Europeans might take some steps which would go some way in satisfying United States steel manufacturers.

Commenting on the United States textile fibres dispute with Britain, Mr Askew said he was hopeful that a negotiated settlement on compensatory relief would be achieved in the next month. However, "We reserve the right under the Gatt to take whatever action is necessary and your Government was very much aware of this at the time it took the action that it exposed itself under the Gatt rules to some form of response from us."

Mr Askew said he sympathized with people in Britain who had expressed concern about exports of American chemicals.

However, energy price controls were certainly not in effect to provide trade advantages and the controls were now being phased out. He hoped this did not become a source of serious Anglo-American trade difficulty.

More generally, Mr Askew admitted that neither Congress nor the Administration had done enough to make exporting a major national policy priority and to deal with America's serious trade deficits.

The Administration was giving its full backing to legislation to create strong American trading companies and action was being taken by the White House to treat exporting more seriously.

My feeling is that it is urgent that we view ourselves as a trading nation and secure greater economic growth through expanded exports. The President is most aware of this."

Frank Vogel
in Washington
Venice summit, page 4

1,500 jobs to go in factory closures

By R. W. Shakespeare and John Huxley

More than 1,500 jobs are being lost with the closure of two plants in industries suffering from a severe downturn in trade. The Burton clothing group is closing one of its factories in the Manchester area and Courtaulds, the textiles group, is to end production at a nylon-making plant near Derby.

Burton's closure of its plant at Walkden, near Manchester, will make 650 workers, mostly women machinists, redundant. Employees were told of the decision yesterday to close the factory by September.

A division of the National Union of Tailor and Garment Workers, said he was "stunned and shocked" by the news. It was another indication of the way interest rates and high value-added tax were hitting consumer goods.

Courtaulds' decision to close its nylon-making plant at Spondon, near Derby, with the loss of 650 jobs brings the total number of redundancies announced by the group over the past 18 months to more than 15,000.

Other activities at the former British Celanese plant, where about 4,000 workers will continue to be employed, are unaffected. These include the production of acetates.

A division of the official said yesterday that the nylon division had made a loss over the past five years and was suffering because of overcapacity in the industry and depressed trading conditions.

The division continues to produce nylon, under the name Celon, at its two other plants at Aintree, near Liverpool, and Carrickfergus in Northern Ireland, where 330 have jobs.

James Hirst (Holdings) yesterday announced that it is to close its subsidiary BM Coatings. About 100 workers will be made redundant, at Bolton and Middlesbrough.

The company which makes coatings of natural and synthetic textile fabrics using plastic compounds, has been operated at a loss for some years.

Harrisons & Crosfield seeks £50m injection from rights issue

By Michael Prest

Harrisons & Crosfield, the plantations, trading and manufacturing house, took the market by surprise yesterday in announcing a rights issue of one share for every six held to raise £50m. Much of the cash will be used to expand the company's chemical manufacturing and distributing operations.

Each £1 share is offered at 62p, an 11 per cent discount on last night's closing market price.

The announcement comes two weeks after Harrisons, which has extensive Far East interests, revealed an 11.4 per cent increase in pre-tax profits last year to £58.4m. The company's last rights issue was in 1975 and raised £10m.

Mr Thomas Prentice, chairman of Harrisons said that much of the cash to be raised this time would be committed to developing the company's specialist chrome chemicals. Over the last four years £28m has been spent at British Chrome and Chemicals, a company acquired from Albright & Wilson.

British Chrome's sodium dichromate capacity has been doubled and output of chromic acid, chrometan, and chromic oxide has also been enlarged.

A further £14m was spent on the acquisition and development last year of an American chrome company, PPG Industries. Mr Prentice expects that

£5m will be committed to expanding PPG's product range. Another British company, Durham Chemicals, will need about £3m.

Some of the cash will also go to Harrisons' timber and building materials activities, and more investment in the marketing of these products, and of chemicals is expected. Harrisons has been distributing chemicals since the 1920s.

Nevertheless, using the rights issue proceeds in these areas represents a significant shift of emphasis from those interests such as plantations and overseas trading with which the group is most closely identified.

Mr Prentice sees the future investment as redressing the imbalance between different divisions of the company.

A second important consequence of the issue is to reduce borrowings. Mainly because of its chemical investments, Harrisons' borrowings rose from £30m at the end of 1978 to £72m a year later. On May 23 they stood at £75m, or about 48 per cent gearing.

The company says that the rights issue should cut interest charges by about £3m in the current financial year. At the same time, however, most of the saving will be absorbed in the extra dividend payments on the increased number of shares.

The directors say they are confident of the company's ability to maintain the dividend at 40p gross.

The rights issue, underwritten by Baring Brothers with Cazenove as brokers, will add 8.35m shares to the 44.6m already held. Although the price closed 62p down at £7, no problems with the offer are expected.

Harrisons denies that it is lightening the balance sheet to make way for a major acquisition. Mr Prentice admitted, however, that the company was likely to make one or two small purchases in the United States, probably of chemical companies in the near future.

One difficulty facing Harrisons is that although the group's balance sheet at the end of last year showed short-term deposits and cash balances of £42m, most of the money was attributable to Harrisons' Malaysian Estates. Since PPM is only 80 per cent owned by Harrisons & Crosfield, that cash was not available to the whole group.

Harrisons sees demand for specialist chrome chemicals which have important applications in high technology industries such as aerospace, growing strongly. It points out that there are only about seven or eight other manufacturers of chrome chemicals outside the Soviet Union.

Belfast yard wins BP £50m tanker commission

By Robert Rodwell and Peter Hill

British Petroleum is to place a firm contract for two 100,000-tonne oil tankers with the state-owned Harland and Wolff shipyard in Belfast.

Harland won the order, worth over £50m, in the face of stiff competition, particularly from France and Japan. British Shipbuilders did not quote for the work. Government aid to help secure the order is expected to total £12.5m. The aid will be channelled through the shipbuilding intervention fund administered by the Northern Ireland Department of Commerce.

The ships—similar to two being built for BP by Swan Hunter on Tyne and Scott Lithgow on the lower Clyde—will fill the gap for medium sized crude oil tankers which exists at present in BP's 65-strong tanker fleet. They will be delivered in late 1982 and mid-1983.

The BP order is a lifeline for the Harland yard which is critically short of work. It is almost at the end of its worst subvention of £22m of state aid and has recently been paying men off. Employment in the yard and its associated engine works has now fallen to about 700.

The state-owned yard has been kept afloat since the mid-1960s with government aid. Aid for shipping: Support for government assistance to Britain's shipping industry was given yesterday by British Shipbuilders, which has consistently argued for a greater volume of United Kingdom registered ships to be built in Britain rather than overseas.

Mr George Parker, chairman of the Smith's Dock subsidiary of British Shipbuilders on Teesside, said the Government consider granting aid for owners to switch to other ships more suitable for modern trading conditions and United Kingdom yards could expect a "spin off".

Last year the size of the United Kingdom fleet fell by 6.2 million tons deadweight—the sharpest fall since the Second World War.

However, new ship orders had increased recently and of the 1.8 million tons deadweight of orders about 700,000 tons were being built in United Kingdom yards.

Pressure to buy British computers

By Bill Johnstone

There is growing pressure on the Government to invite a single tender from International Computers Limited (ICL) for the £140m Inland Revenue computer contract as "an act of faith" in the British data processing industry.

Reports that the Central Computer and Telecommunications Agency (CCTA), which is responsible for placing such contracts, has already eliminated ICL as a supplier have been denied by the manufacturer.

No decision has been made about who should tender for the huge project which will involve the equipping of 12 regional PAYE centres throughout the country.

Post Office lobbies for wider trading rights

By Patricia Tisdall
Management Correspondent

Post offices are trying to get new legislation passed which will enable them to reduce their dependence on pension and other social security payments.

Both Sir William Jellicoe, the chairman, and Mr Ron Dearing, the chairman-designate, are pressing the Government to change the provision of the 1969 Act which prevents post offices from undertaking work for other than central government departments or local authorities.

The intention is to expand the services being offered across post office counters to include work for nationalized industries and quasi-official bodies. Sir William, in evidence to a parliamentary sub-committee hearing earlier this year, listed more than 20 organizations including the National Coal Board and British Airways, as well as British Rail, British Gas and electricity boards with whom, he said, the Post Office would be willing to work.

Post Offices at present are prevented from, for example, selling railway and bus passes to pensioners or selling certain multiple trip bus tickets.

Sub postmasters who, because they allocate only part of their premises to Post Office business, can get round the restrictions. The loophole enabled the National Federation of Sub-Postmasters last month to sign an agreement with the Electricity Council and the British Gas Corporation to sell after savings stamps in 20,000 or so sub offices.

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Markets

1d 471.8, up 6.4
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PRICE CHANGES

44p to 77p	Johnson Matt	10p to 331p
10p to 220p	Lasso	20p to 711p
13p to 485p	Rio Tinto Zinc	20p to 425p
15p to 527p	Schroders	10p to 265p
15p to 155p	Selection Tat	£1 to £111

THE POUND

Bank	Bank	Bank	Bank
buys	sells	buys	sells
2.06	2.01	Norway Kr	11.66
30.65	28.95	Portugal Esc	116.50
68.30	65.00	South Africa Rd	116.50
12.72	12.55	Spain Ptas	162.75
15.19	12.64	Sweden Kr	10.05
8.32	8.42	Switzerland Fr	3.97
9.86	9.46	USA \$	2.34
4.29	4.07	Yugoslavia Ddr	66.90
102.90	97.00		
11.70	11.25		
1.13	1.09		
1990.00	1900.00		
128.00	50.00		
4.68	4.45		

Ministry of Defence the target in campaign by office cleaners

Bucket and mop brigade do battle over jobs

Defence chiefs are bracing themselves to repel a new and untold assault force in the battle over public sector spending cuts.

After a brisk exchange of letters, the Civil Service Union (CSU) has decided the plying must stop. It is mobilizing its bucket and mop brigade.

Several hundred fully-armed cleaners, from throughout the country, will assemble in London on Thursday to lobby MPs over job cuts. Overall will be worn.

The protest has been triggered by the decision of the Ministry of Defence at Bath (appropriately enough) to sack 68 women cleaners and hire contract cleaners.

Mr John Sheldon, deputy

general secretary of the CSU, says he has intelligence that similar moves are afoot at military establishments on Worcester and Harrogate. He believes that eventually the jobs of all 6,000 civil service cleaners he represents could be threatened.

The CSU has produced a study arguing the case for keeping the cleaners, whom it describes as "loyal employees, amongst the lowest paid in the community". In fact, five deputy secretaries can be bought for the price of 68 cleaners.

It claims that the change from direct cleaning in the Ministry of Defence at Bath made possible only by allowing contract cleaners to escape the

obligation to pay national insurance contributions by restricting the number of hours an employee works.

If a contract cleaner was to meet standards adhered to by the Civil Service, he could not provide a cheaper cleaning service, the CSU argues.

Productivity among its cleaners is no worse than that of contract cleaners, the union says. "It is entirely false to imagine that the Civil Service itself has not grown out of the bucket and mop era."

It points out that the cleaning advisory unit of the Government's Property Services Agency recommends a cleaning "stint" of between 1,350 and 1,450 square feet an hour. This is roughly equivalent to the

floor area of a small terraced house.

"Bearing in mind that government departments obviously include stairs and toilets and that the daily stint includes emptying of ash trays and wastepaper baskets, the dusting and polishing of furniture as well as the cleaning of floors themselves, it will be seen that a cleaner is not being pampered in being called upon to clean through an area of that size in one hour."

The union says that the women cleaners, who earn about £25 to £30 a week, are being picked upon. They provide civil service departments with a simple and effortless way of reducing numbers.

John Huxley

Industry cash cut to pay BSC chief's fee

By Our Industrial Editor

The advance payment of £675,000 owed to American merchant bankers, Lazard Freres at the beginning of next month when Mr Ian MacGregor, one of its former senior partners takes over as chairman of the British Steel Corporation, will be met from future savings on the Government's industrial support programmes.

Mr Adam Butler, Minister of State for Industry, announced the decision in Parliament yesterday. He was replying to a question on how the Government proposed to cover BSC's cash limit and the public spending implications of the controversial payment.

Mr Len MacGregor, succeeds

Sir Charles Villiers as chairman on June 1.

Under the terms of the deal agreed with Lazard Freres, the Government will make the down-payment, but the bank will be required to pay back up to two-thirds if Mr MacGregor does not complete his three-year term. In addition the bank will receive up to £1.2m—against performance criteria laid down by a joint committee.

Mr Butler said yesterday that the payment would be met by an advance from the contingency fund. There would be no additional public expenditure because an increase in the Industry Department's central and miscellaneous services sub-programme, to cover the compensation payment, would be offset by a corresponding reduction in the sub-programme for future industrial support.

PERSONAL INVESTMENT AND FINANCE

Grouse

Red faces abound in the Access department of the National Westminster Bank this week. It recently sent out a direct mail shot to cardholders extolling the merits of the "four special offers to Access holders from Scotcades".

The items included a quartz micro-alarm clock at £7.95 and a three-waveband digital alarm clock radio "at a better price" of £16.95. On the latter item a higher price was shown crossed out.

Access cardholders might well be forgiven for thinking that the term "four special offers" meant they were getting the goods cheaper than Scotcades' other customers. Alas it is not so. For the weekend press was advertising both the alarm clock radio and the quartz-micro alarm clock at exactly the same prices. And anyone could stroll into a Scotcades shop or fill in a newspaper coupon

and buy the silk shirts and cast iron cookware at the same "special price" offered to Access cardholders.

The Office of Fair Trading reckons the wording of the advertisement is within the law. However, NatWest should be embarrassed all the way to its own coffers, for it is the individual banks, not the credit card company who are responsible for the advertising material sent to cardholders.

The direct mail shots are lucrative business. The effort is pitched directly at the consumer with the money and inclination to buy. The bank takes a fat fee for subjecting them to ever-increasing amounts of unsolicited sales material along with the monthly statement. As it stands, the business would seem quite profitable enough without misleading the cardholder customers into thinking they are getting a special bargain.

Children

Paying for future school fees

People facing school fees can use a number of schemes, which give guaranteed returns in the future based on today's high rates of interest, which are unlikely to last much longer.

Many schools operate their own composition schemes—taking in cash in advance, investing it and providing a guaranteed rebate off future fees. The schools like that, because, being mainly charities, they can invest the money tax-free without giving parents credit for the full return which they will earn on the investment.

Or there are the independent trustee schemes, originated by the School Fees Insurance Agency, which can be used for any school.

If there is a long time to run until the fees will be required, some startling returns can be achieved—much, of course, are more than necessary in view of the rate at which fees can be expected to go up. A parent making this type of arrangement should not experience any tax problems and this can be particularly useful for higher rate taxpayers for whom to-

day's high rates of interest otherwise do not have any great attractions.

On the due dates cheques for the term will be sent to you, as the parent, made out to the school. Naturally, you have to tell the organization the name of the school, but only a few weeks' notice are required.

Capital transfer tax need not be a worry, because payments towards a parent's ordinary expenditure on educating and maintaining his children are exempt from CTT. It is unlikely, however, to retain the right to surrender the policy because, if you die before the payments start the capital will revert to your estate. There is also the possibility of a future wealth tax to be considered.

The position is different if a grandparent wants to help by paying a capital sum towards future school fees. CTT can be avoided by making annual capital payments and keeping within the overall CTT exemption of £2,000 a year—forgoing the right to surrender the policy.

If larger payments are made and the right to surrender the

policy is retained, while there is no CTT liability when the payment is made it will arise if the settlor is still alive when the fees start to be paid; also, there is potential liability if the settlor dies at any time up to completion of the fee-paying period.

The capital payment method can be useful if a parent dies with life assurance in force. Part of the capital sum can secure a fixed contribution towards future fees.

Annuities for school fees can also be bought by means of regular monthly payments. This can be useful if there are only a few years to run before the first fees will be needed and it would be uneconomic to arrange a life policy.

In this case life assurance can be bought separately, to ensure that the contributions to fees will be available as planned even if you die before the payments are completed.

John Drummond

HOW MUCH SCHOOL FEES COST

Fees per term	PREP SCHOOL*		PUBLIC SCHOOL*	
	with 10% inflation	with 15% inflation	with 10% inflation	with 15% inflation
1985	1,288	1,609	1,610	2,011
1990	2,075	3,235	2,594	4,048
1995	3,342	6,507	4,177	8,139

Cost from capital now	Fees	Cost	Fees	Cost	Fees	Cost	Fees	Cost
8-year-old (fees start 1980)	14,852	11,837	16,182	12,936	(fees start 1985)	29,499	14,173	40,683
4-year-old (fees start 1984)	21,450	11,517	28,299	15,045	(fees start 1988)	43,185	13,077	71,157
New born child (fees start 1988)	31,404	10,894	48,497	16,686	(fees start 1993)	63,228	11,788	124,452

* Assuming current fees of £800 and £1,000 per term respectively, and £1,000 per term respectively. Source: School Fees Insurance Agency.

FRAMLINGTON

Income Trust distribution up 22%

The Framlington Income Trust half-yearly distribution payable on 15 July will be 1.163p per unit, net of tax. This is 22 per cent more than the distribution last July.

The aim of the Trust is to give a higher than average income which increases year by year at least as fast as inflation. The following table shows how this has been achieved since the Trust started on 31 December 1971:

Year	£	p	£	p
1972/3	35.49	32.10		
1974	48.20	38.09		
1975	52.60	34.03		
1976	68.20	36.23		
1977	72.60	34.77		
1978	107.60	46.03		
1979	115.18	43.98		
1980	145.34	46.39		

The Trust also aims for capital growth: the offer price has risen 138 per cent since launch compared with 39.4 per cent for the FT All-Share Index over the same period.

The managers will continue to select shares with above-average yields and with sound scope for growth in both dividends and capital values.

The price of units and the income from them may go down as well as up.

Investment in a unit trust should be regarded as long term. To invest, use the coupon or telephone Framlington at 01-628 5181 (Monday - Friday, 9 a.m. - 5 p.m.)

On 18 June the offer price of units was 39.6 pxd. The estimated gross yield was 8.75 per cent.

General information: Income tax on basic rate tax is distributed on 15 January and 15 July. Units bought now will receive their first distribution on 15 January 1981. Units can be bought and sold daily. When units are bought the certificate is sent within 10 days. The offer price includes an initial charge of 5%. The annual charge is 0.5% AAT. Redemption is paid to qualified intermediaries at the rate of 1.25%. Prices and yields are quoted daily in leading newspapers. When units are sold back to the managers payment is normally made within 5 days of receipt of the redemption certificate. The Trust is an authorized unit trust, operated by Trust Deed. It is a valid investment under the Trustee Investment Act 1961. The Trust is a Limited Liability Partnership. The managers are Framlington Unit Management Limited, 64 London Wall, London EC2M 5NQ (Registered in England No 897241). Member of the Unit Trust Association. This offer is not open to residents of the Republic of Ireland.

To: Framlington Unit Management Limited

64 London Wall, London EC2M 5NQ

I/We wish to buy units OR units to the value of £ in FRAMLINGTON INCOME TRUST (minimum holding 400 units) at the offer price ruling on receipt of this order. I am/We are over 18. I/we need not send a cheque with this application: we shall send you a contract note stating the exact amount due. Joint applicants should all sign and include details separately.

Surname Mr/Ms/Miss

Full first names

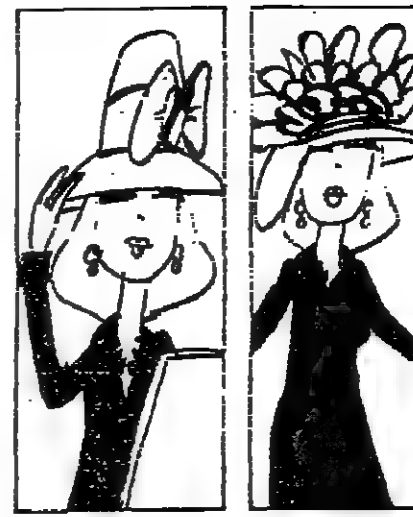
Address

Signature(s)

TIM 21/8

INCOME TRUST

HOFF of HEYBRIDGE HEATH



Capital gains on foreign assets

I inherited some property abroad, but it is in stocks and shares. I imagine this makes no difference—capital gains tax will presumably be due on the sale and transfer to this country just the same. However, since the original acquisition of that property is shrouded in distant mists, what will be the basis on which a capital gain can be calculated?

Even worse, how can you calculate the gain arising from currency movements? When the shares were bought I am sure the exchange rate was very different and the transfer to this country at this late stage means a great advantage to me, just because the pound is now worth a lot less in terms of foreign currencies than 20 years ago.

In fact I was wondering whether I lay myself open to unnecessary tax demands if I transfer this property over here; it might be best to keep

it where it is, now that it is permitted to do so? (GC, London SW14.)

As you inherited the stocks and shares it is the value at the date of death of the donor that is relevant in calculating the gain—not the original cost. This value should be converted into sterling at the current exchange rate ruling on the date of death. On sale the foreign proceeds would be converted into sterling, again at the current exchange rate, and the gain calculated by deducting one

sterling figure from the other. Remember that gains are now exempt up to £3,000, so it might be a good idea at least to sell a sufficient amount of the portfolio to take advantage of this exemption.

When I accepted a contract for installing new gutters on my house and paid a deposit of £53, I was handed a specification which included the clause "inspect condition of fascia and

hingeboard fixings and where necessary replace". The job has now been completed, but a considerable quantity of water collects in the gutter before any flows into the outlet. The installation team say this is because the gutter cannot be positioned to give immediate flow due to the condition of the fascia board, which is rotted at the points where they would have to fit the gutter. I was not told any of this until I had inspected the gutter myself and tested it by actually pouring water into it, although the specification also includes the clause "water test the complete system for leaks and drainage flow".

The installers have now sent me an invoice for the outstanding balance of £200 and requested settlement by "return of post". Am I entitled to withhold payment in view of my complaint that water collects in the gutter and it seems that

the firm has not rectified the fascia board which is rotten in such a way that gutter cannot be positioned to give immediate flow (Middlesex.)

There is a clear breach of contract, it is not a matter of opinion. They are responsible for the work with all due skill and care. Assuming it was a contract, you can claim the cost of getting an expert to inspect the fascia and gutter. If it costs you £253 to get another expert to inspect the work you can claim the £253 from the original firm. Moreover, they are liable for the damage to your house now become property.

Readers' Forum

Investor's week

From strength to strength

Last week the economy as a whole started to exhibit serious signs of recession. On Tuesday came the announcement that industrial production for the first four months of the year had declined by 3 per cent—the sharpest reduction for the past five years.

On Wednesday came reports that industries in the regions were suffering badly from a fall in demand; and, with the announcement of reduced profits from Tesco, the first signs of the effect of the slump at the checkout counter. On Thursday came the corporate rows, at Lomro (over the size of the dividend), and at Bamfords (over the continuing existence of the company).

And what did the stock market do about all this gloom and doom? It went from strength to strength. Not that it went from strength to strength entirely uninterrupted. There was a minor setback midweek, as investors paused for a quick breath and a hurried glance over their shoulder to see how far ahead of the game they might have got. After that they plunged in again, helter skelter, and disappeared, their progress charted simply by the performance of the FT Actuaries Index (up 15.3 points on the week to 471.8), and the periodic emission of new issues of government stock.

It was government stock that led this week's surge in the indices, powered by the optimism generated by an excellent set of trade figures (on Monday) and hopes of a cut in minimum lending rate. Those hopes have turned out, once again, to be premature—which from the point of view of the market is probably just as well since much of the enthusiasm seems to be stimulated by overseas buyers encouraged by the level of interest rates in the United Kingdom.

In the meantime various companies have been taking advantage of the opportunities pre-

sented by a relatively buoyant market, most notably BP, with its approach to Selection Trust, but also by a clutch of companies—Harrison & Crosfield, Mollison-Denny, Candeca—looking for rights issues, ahead of the impending squeeze of liquidity, on relatively favourable terms.

Institutional investors were quick to seize on the opportunity of picking up £25m worth of Pilkington shares placed by the French BSN-Gervais Danone, despite the razor-thin discount on the market price.

Adrienne Gleeson

MAIN CHANGES

Rises					
Year's high	Year's low	Company	Change	Comment	
82p	44p	Dunlop	3p to 79p	Far East buying	
474p	174p	Hambros	73p to 497p	Recent results	
683p	124p	Lasmo	40p to 711p	Bid rumours	
366p	185p	Pilkington	30p to 236p	Share placing	
£102	£41	Selection Tel	524p to £111	BP bid	

Falls					
Year's high	Year's low	Company	Change	Comment	
92p	22p	Burco Dean	2p to 24p	Nervous selling	
950p	487p	Harrisons Crs	50p to 700p	Rights issue	
77p	42p	Mallinson D	14p to 57p	Rights issue	
300p	81p	Rand Mine P	82p to 218p	S African problems	
185p	85p	Satchi	3p to 180p	Pit taking after res	

Offers

This weekend the emphasis is on gifts and high income. Vanburgh Life is recommending its Fixed Interest fund for investors who prefer to go the unit-linked route. Framlington group suggests its Income Fund for those who wish to concentrate on unit trusts.

Last week's bonds article quoted Planned Savings' performance figures for Canon Life. These were incorrect and should read: Managed Fund, up 4.5 per cent, Property Fund, up 12.4 per cent, both over 12 months.

Housing

Prices lose ground to inflation

The Times/Halifax house price index

Monthly index of average prices of second-hand houses (seasonally adjusted)

	Index	Average price (£)	% change over the preceding 1 year	% change over the preceding 5 months	% change over 3 months
1977 December	100.0	14,757			
June	109.3	16,133	16.9	9.3	3.6
September	118.2	17,450	22.0	12.0	8.2
December	121.1	17,866	21.1	10.7	2.4
1978 January	122.9	18,132	20.8	8.8	4.7
February	127.8	18,783	24.8	10.5	6.2
March	130.5	19,259	23.6	10.4	7.8
April	131.7	19,441	27.3	12.2	7.2
May	138.2	20,094	30.4	13.6	7.0
June	142.5	20,341	35.1	19.5	3.8
July	142.5	21,038	35.2	18.0	8.2
August	145.2	21,427	36.0	19.1	5.6
September	145.5	21,480	36.1	19.1	5.6
October	149.5	22,065	37.4	13.5	4.9
November	151.4	22,339	38.3	11.2	4.3
December	151.0	22,291	38.6	9.6	3.6
1979 January	154.2	22,754	39.5	8.2	3.1
February	158.2	23,052	41.7	7.6	3.2
March	158.2	23,352	41.7	7.6	3.2
April	158.6	23,406	42.0	6.1	2.9
May	161.7	23,866	43.8	5.6	3.5

Average regional prices of second-hand houses

	May £	April £	% change over 3 months ended February
North	17,577	17,217	0.5
York and Humberside	16,913	16,590	5.0
North-west	19,193	18,778	5.9
East Midlands	18,390	18,249	5.4
West Midlands	21,343	20,481	6.2
East Anglia	22,021	21,700	2.2
Wales	18,985	18,988	-0.3
South-west	25,828	24,836	6.4
South-east	31,390	30,821	4.1
Greater London	32,481	31,958	5.8
Northern Ireland	21,298	21,288	-0.5
Scotland	21,009	19,988	7.0

House prices are on the move again. After a relatively quiet April, The Times/Halifax house price index rose by nearly 2 per cent in May. The average price of second-hand homes is now almost 62 per cent higher than when the index was launched two and a half years ago.

But despite the apparently sharp jump in May, the underlying rate of increase—allowing for month-to-month aberrations—is still around 1 per cent a month, and the year on year increase is declining for the fifth month in succession. Prices are now no more than 20 per cent higher than they were a year ago, whereas last May they were some 30 per cent up on the year.

On present trends it looks as though second-hand house prices by late summer will be showing the lowest yearly rise since the index began. The outlook is that by then prices will be running at an annual rate of no more than 15 per cent.

At the moment prices are certainly rising less rapidly than inflation, where the annual rate of increase is at present around 21 per cent. Although it must be pointed out that since the index's inception, house prices have risen somewhat more than retail prices.

However, earnings are usually a more reliable guide to the future of house prices than the retail price index. By March this year, earnings had risen by 42 per cent since the end of 1977, retail prices by 34 per cent and the second-hand house prices by 58 per cent. The ratio of house prices to average earnings has risen in this period, but is now falling again.

Although there was a reasonable level of activity in May, the continuing decline in

the rate of house price escalation gives a more accurate pointer to the state of the housing market.

There is plenty of property on the market, and quite a lot of it has been on offer for some months. It is not yet a buyer's market, but prospective purchasers are keeping sellers on tenterhooks at the moment.

A worrying feature for all involved in housing transactions at the moment is the increasing number of delays which are building up as breakdowns in the mortgage chain occur. Halifax branch managers are reporting a high level of mortgage applications in the pipeline waiting for other people to complete their arrangements.

The weakest link in the chain seems to be first-time buyers. First-time buyers, without the benefits of gearing from an existing house, are tending to shy away from the market a little at the moment. As owner-occupation increases, it is inevitable that the proportion of first-time buyers to all purchasers will steadily decline.

The same thing happened at the end of the great house-price boom in the early seventies. First-time buyers were squeezed out of the statistics, but by the end of the year the proportion of first-time buyers had returned to normal. Much the same adjustment is likely to occur this time as earnings and house prices move back into line.

The trend of new house prices, up 23 per cent in May and now some 20 per cent higher on average than second-hand houses, suggests that house builders are moving up market into the second purchaser rather than first-time buyer market.

Margaret Stone

Robot pets prov winner for Tiny Business Ur

It is now three months since the £100,000 belonging to the Great Grimpen Mine Investment Club was put into the market, and thus time to see how good this "investment management" of "merchants" bankers Wolfbane Lustwort has been.

The schedule of investments shows that during the last quarter the value of the portfolio has dropped by £3,000 to £97,000. This would appear on the face of it to be disastrous, but in the light of the recent market over the period it cannot be thought of as being terribly satisfactory, particularly in view of the fact that only four of the 13 investments have in fact established gains at all. This has not gone unnoticed by the committee, and there are ominous rumblings emanating from Sticklepath, Jewel of Dartmoor and financial centre of the West of England.

Not surprisingly the Glimpse securities have edged ahead and Platypus Exploration has also gained a little due to rumours of a mining strike in Western Australia. However, communications with the exploration party are poor, and it may well be that the reports have been interpreted as implying a strike of the industrial action variety rather than their having struck rich with the discovery of an entire mountain of platinum. Times will tell, but meanwhile the vagueness of the situation has made for a nervous market.

Tiny Business Units and Electronic Gosh have together backed a new venture for marketing electronic pest. These are robot cats, dogs, canaries, and tortoises, which, using a galaxy of microprocessors, behave in totally dog-like, cat-like, bird-like and reptile-like manner except that they are always scrupulously behaved in every respect and never foul footpaths, howl at night, embarrass owners with their love lives, smell, bite, scratch, hibernate or die. Enormous sales have already been notified up and success seems assured.

Gold has fallen out of bed and the vibes of Adrian Lustwort's psychic cousin Lettie, who is in touch with Tutek: hansen about it on the "other side" have not proved particularly reliable so far. The other hand, except for Cash, of course, and the Scottish Imperturbable Assurance, shares which are well-known for never moving at all in any direction, have all gone down.

Allied Elderberry Wines has been very weak indeed lately, for no known reason except that in all probability its redoubtable chairman, Lt Col Rudolph Grog-Beverington, swine and visionary, is engaged in some manipulative horse-racing or other. Meanwhile, engineering giant, Cog & Sprock-



ett, which was thought to have gone down so far that no further, has followed by doing due to a head-on collision with a car. In addition, work force to jam butties in sympathy.

British Alchemists very much in the having banked heavy profits on the sale of quackeries of artificial to Iran—a commercial decision necessary to oblige necessary authorities.

Great Rockall Kong Investment Trust looking pretty sick! Managers of the trust movement plan into its waters about whether they should have a bid, which could cheer somewhat, however. Little hope of success. Leisures fallen away badly, max-recently comm the only people who to indulge in leisure are those who are retired, or have made redundant. Even in worrying too much about whether they themselves joining the aforesaid, to ap money on having a g.

Finally, at US En news has margin weighed it the good news is that the good can economy looks going into recession. The good news is th has substantial im munitions, nuclear production, and the ware of germ and warfare products— for no known reason except that in all probability its redoubtable chairman, Lt Col Rudolph Grog-Beverington, swine and visionary, is engaged in some manipulative horse-racing or other. Meanwhile, engineering giant, Cog & Sprock-

Francis Ki

EDITED BY MARGARET STONE

FINANCIAL NEWS

Stock markets

Gilts recover as trading regains momentum

The underlying strength of the market caught most dealers on the hop yesterday when, after a quiet start, prices again surged ahead.

Most market observers had been predicting another modest reaction after two weeks of continued rises. Indeed, the situation which did not catch everybody out was the announcement of £1,600m of new tax.

The terms, for which applications begin on Wednesday, are £1,000m of Treasury 13 per cent 2000 with a minimum tender price of £96 and £600m of Exchequer 12½ per cent 1985 at a minimum tender of £98.25.

Jobbers in long were well prepared for the issue and after a slow start held on to gains of between £1 and £1.50.

At the shorter end of the market, the issue was greeted with enthusiasm and prices recovered early losses to close £1 up on the previous day.

Equities regained some of their poise after news that

Harrison & Crosfield had asked its shareholders for £50m with some bear closing ahead of the weekend. But Harrison fell 62p to 700p on the news.

However, as the afternoon wore on the apparent strength of the market soon began to wane as institutional buyers

rumours currently doing the rounds have led analysts to downgrade earlier forecasts of profits from Ferranti, due out next week, from £13m to £11m. Meanwhile, further talk of a rights issue accompanying Plessey's figures, also out next week, is threatening to take some of the steam out of the share price.

But yesterday Ferranti rose 12p to 557p while Plessey rose 4p to 159p.

again rushed in. In the event, the FT index closed with a 6.4 rise at 471.8 after opening 2.1 down.

Leading industrials were quick to benefit from the influx of buyers and were soon showing gains of at least a couple of pence across the board. The

one exception was Dunlop, which fell 2p to 79p following a placing of 1m shares on Thursday.

In mining, Selection Trust leapt £1 to £11½ eagerly awaiting terms from BP, which rose 2p up to 366p. Charter Cons. with 27 per cent of Selection Trust, rose another 7p to 208p with RTZ adding 20p in sympathy. "Where there's a tap there's a tip" and Lasso proved it, leaping 20p to a new high of 711p on talk of a bid from Deminor. Rumours of a large placing of shares above the price and outside the market were treated sceptically by most jobbers.

Equity turnover on June 19 was £136.841m (17,693 bargains). Active stocks yesterday, according to the Exchange Telegraph, were Lasso, RTZ, Boots, ICI, Barclays, Western Mining, GEC, Marks & Spencer, ICI Gas, Courtauld, European Ferries and Recal.

Traded options had another busy session with 1,195 contracts reached, compared with 1,485. Leading the list with 169 was RTZ.

Latest results

Company	Sales	Profits	Earnings	Div	Pay	Year's
	£m	£m	per share	pence	date	total
Int or Fin	2,141.8	0.09 (0.08)	16.95 (14.03)	3.4 (2.6)	—	3.4 (2.6)
B. Foods (F)	1,411.8	0.08 (0.07)	1.81 (1.58)	0.83 (0.71)	1/8	1.45 (1.45)
AD International (F)	5,515.04	0.03 (0.02)	—	0.51 (0.41)	14/8	0.5 (0.5)
Attwood (F)	5,515.04	0.21 (0.12)	4.34 (3.2)	1.65 (1.55)	9/9	—
Endex (F)	3,361.26	0.21 (0.12)	4.34 (3.2)	1.65 (1.55)	9/9	—
Blomax (F)	25,317.4	0.72 (0.67)	1.29 (1.06)	1.22 (1.07)	4/8	2.4 (2.17)
Brit Tar (F)	—	3.6 (1.9)	14.06 (7.2)	7.51	—	13.3 (7.2)
Brunner (I)	—	0.53 (0.1)	6.4 (5.6)	2.1	—	—
Cons & Indust (F)	—	1.01 (0.75)	6.4 (5.6)	2.1	—	—
Consolid (F)	20,912.3	0.18 (0.14)	1.88 (1.42)	1.1 (0.93)	5/9	—
Dorington	5,713.51	2.37 (3.4)	7.0 (10.4)	3.4 (5.1)	—	4.0 (6.12)
Grange Trust (I)	—	0.17 (0.23)	3.15 (3.8)	3.0 (3.0)	—	—
F. B. Lloyd (F)	64.1 (63.5)	0.35 (0.1)	3.83 (0.5)	6.75 (6.25)	—	—
J. F. Nash (I)	17,917.1	0.07 (0.11)	10.9 (15.0)	0.51 (1.1)	21/8	0.5 (1.1)
Second Railway (I)	0.75 (0.75)	—	—	—	—	—
John Swan (F)	15,315.0	0.11 (0.7)	—	—	—	—
Victoria Carpets (F)	—	—	—	—	—	—

Dividends in this table are shown net of tax on peace per share. Elsewhere in Business News dividends are shown on a gross basis. To establish gross multiply net dividend by 1.428. Profits are shown pre-tax and earnings are net. * Loss. † Net. ‡ Gross revenue.

Wedgwood slips, but payout held

By Richard Allen
Sir Arthur Bryan, chairman of fine china group Wedgwood, is not bragging when he says that his was the only company in the industry to win a Queen's Award for export achievement last year.

In Sir Arthur's view, the dearth of awards speaks volumes about the pressures that monetarist policies are putting on exporters.

Wedgwood itself yesterday blamed a combination of high interest rates, strong sterling and inflationary wage settlements for a profit fall from £3.5m to £5.8m in the year to March 29.

Sales rose by 15 per cent to £96.7m and profit figures were struck after more than doubled interest charges of £2.3m and a £640,000 exceptional trading loss at the group's Irish crystal factory.

Despite the profits slump the dividend has been maintained with a final of 3.45p gross, making a total of 5.87p—a payment covered 2.3 times by after-tax earnings.

As well as paring margins in overseas markets, the strong pound also hit Wedgwood at home by reducing tourist business and exposing the market to low-cost imports.

Short-term working has had

to be introduced in some areas and only this week the group revealed 120 impending redundancies in its Johnson Bros earthenware division.

Despite the margin pressures, Sir Arthur said yesterday that a further sales increase in the current year should enable the group to maintain last year's profit levels "provided economies are effected".

"It is hoped that these will not be necessary on a scale which will create difficulties in maintaining the group's present position," he said. Wedgwood exports 60 per cent of its production.

Briefly

NSE Newsagents: Boards says that acceptances have been received in respect of 54,059m of Group's 10 per cent convertible unsecured loan stock 1980/2000, some 95 per cent offered by way of rights to holders of ordinary shares. Stock not taken up has been sold in the market and the net proceeds, some 13p for each £1 of stock will be repaid pro rata.

BAT Industries: A greater improvement in operating profit for 1980 than achieved last year was forecast by Mr Peter Macadam, chairman, at annual meeting. He said results would be improved by foreign exchange rates, interest charges would increase materially and there was likely to be a higher overall tax charge. So attributable profit might fall just short of the level achieved in the past year.

ACE Research has acquired shareholdings in leading market research consumer panel companies in France and Spain.

Attwood Garages: Dividend held at 14.5p for year to Jan 31. Turnover £5.24m (£5.04m). Profit £25,000 (£33,000) after tax but before extraordinary credit, £39,000 (nil).

Jefferson Smurfit Group: Chairman told AGM that National Association dispute in United Kingdom rose group some £600,000. Business outlook in the United Kingdom continues to be adversely affected by a result group is reducing its numbers employed here.

Turner and Newall: Agreement has been reached in principle with French industrial interests comprising Thomson-Brandt and Generale Francaise Frigorifique at branches for acquisition of Turner's 22 per cent interest in Dagard et Fils SA, maker of cold store panels, based in Boussac, France, for £1.5m.

Simon and Coates's offer to acquire Christy has been accepted in respect of 959,840 shares (47.99 per cent). With purchases and its investment clients, group controls 1.31m shares (63.74 per cent).

Lifeguard Assurance, which ran into difficulties in 1975, is now repaying £1.5m of contributions from shareholders and others which helped to keep it afloat. Bonuses have been restored to normal levels of 10 per cent, and £1m has been repaid out of the life fund to shareholders' funds, leaving a balance of £1m to be restored.

GROSS DOMESTIC PRODUCT (AT CONSTANT FACTOR COST—1971=100)

Based on: 1979 data, 1978 data, 1977 data, 1976 data, 1975 data, 1974 data, 1973 data, 1972 data, 1971 data, 1970 data, 1969 data, 1968 data, 1967 data, 1966 data, 1965 data, 1964 data, 1963 data, 1962 data, 1961 data, 1960 data, 1959 data, 1958 data, 1957 data, 1956 data, 1955 data, 1954 data, 1953 data, 1952 data, 1951 data, 1950 data, 1949 data, 1948 data, 1947 data, 1946 data, 1945 data, 1944 data, 1943 data, 1942 data, 1941 data, 1940 data, 1939 data, 1938 data, 1937 data, 1936 data, 1935 data, 1934 data, 1933 data, 1932 data, 1931 data, 1930 data, 1929 data, 1928 data, 1927 data, 1926 data, 1925 data, 1924 data, 1923 data, 1922 data, 1921 data, 1920 data, 1919 data, 1918 data, 1917 data, 1916 data, 1915 data, 1914 data, 1913 data, 1912 data, 1911 data, 1910 data, 1909 data, 1908 data, 1907 data, 1906 data, 1905 data, 1904 data, 1903 data, 1902 data, 1901 data, 1900 data, 1899 data, 1898 data, 1897 data, 1896 data, 1895 data, 1894 data, 1893 data, 1892 data, 1891 data, 1890 data, 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MARKET REPORTS

Discount market

Once again, the Bank of England was required to give assistance on an exceptionally large scale yesterday in order to relieve the shortage of credit in the discount market.

The lending to seven or eight houses at MLR until Monday, was exceptionally large in its own right.

In addition, the Bank bought a small amount of Treasury Bills and a small number of local authority bills both from the houses and the banks.

Secured loans again struck on 17 per cent for much of the day, and houses' positions became steadily worse as interbank climbed to between 18 and 19 per cent.

Money Market

Rates

Bank of England Minimum Lending Rate 17 1/2%

11 month Treasury Bill 17 1/2%

12 month Treasury Bill 17 1/2%

18 month Treasury Bill 17 1/2%

24 month Treasury Bill 17 1/2%

30 month Treasury Bill 17 1/2%

36 month Treasury Bill 17 1/2%

42 month Treasury Bill 17 1/2%

48 month Treasury Bill 17 1/2%

54 month Treasury Bill 17 1/2%

60 month Treasury Bill 17 1/2%

66 month Treasury Bill 17 1/2%

72 month Treasury Bill 17 1/2%

78 month Treasury Bill 17 1/2%

84 month Treasury Bill 17 1/2%

90 month Treasury Bill 17 1/2%

96 month Treasury Bill 17 1/2%

102 month Treasury Bill 17 1/2%

108 month Treasury Bill 17 1/2%

114 month Treasury Bill 17 1/2%

120 month Treasury Bill 17 1/2%

126 month Treasury Bill 17 1/2%

132 month Treasury Bill 17 1/2%

138 month Treasury Bill 17 1/2%

144 month Treasury Bill 17 1/2%

150 month Treasury Bill 17 1/2%

156 month Treasury Bill 17 1/2%

162 month Treasury Bill 17 1/2%

168 month Treasury Bill 17 1/2%

174 month Treasury Bill 17 1/2%

180 month Treasury Bill 17 1/2%

186 month Treasury Bill 17 1/2%

192 month Treasury Bill 17 1/2%

198 month Treasury Bill 17 1/2%

204 month Treasury Bill 17 1/2%

210 month Treasury Bill 17 1/2%

216 month Treasury Bill 17 1/2%

222 month Treasury Bill 17 1/2%

228 month Treasury Bill 17 1/2%

234 month Treasury Bill 17 1/2%

240 month Treasury Bill 17 1/2%

246 month Treasury Bill 17 1/2%

252 month Treasury Bill 17 1/2%

258 month Treasury Bill 17 1/2%

264 month Treasury Bill 17 1/2%

270 month Treasury Bill 17 1/2%

276 month Treasury Bill 17 1/2%

282 month Treasury Bill 17 1/2%

288 month Treasury Bill 17 1/2%

294 month Treasury Bill 17 1/2%

300 month Treasury Bill 17 1/2%

306 month Treasury Bill 17 1/2%

312 month Treasury Bill 17 1/2%

318 month Treasury Bill 17 1/2%

324 month Treasury Bill 17 1/2%

330 month Treasury Bill 17 1/2%

336 month Treasury Bill 17 1/2%

342 month Treasury Bill 17 1/2%

348 month Treasury Bill 17 1/2%

354 month Treasury Bill 17 1/2%

360 month Treasury Bill 17 1/2%

366 month Treasury Bill 17 1/2%

372 month Treasury Bill 17 1/2%

Foreign exchange report

Weekend considerations kept business at a minimum on foreign exchange markets yesterday where sterling finished unchanged at \$2.3355 after fluctuating within a \$2.3295-\$2.3415 range during the session.

After Thursday's speculative activity, trading conditions were in contrast slow, with dealers content to simply cover positions in front of the weekend.

There was certainly some support for the pound on the continent with operators there seemingly getting over Thursday's scare that a cut in MLR was on the cards.

Sterling's trade weighted index

reflected the demand for pounds rising to 73.3 from 73.5 previously. The dollar firm at first on higher Eurodollar deposit rates, eased back later on the fact that Citibank had cut their prime rate 1 per cent to 12 per cent.

The D-mark traded narrowly finishing just ahead in dollar terms at 1.680 (1.6785).

Swiss francs were unchanged at 1.6320, but the guilder weakened to 1.9405 (1.9365) on the back of a 1 per cent cut in Dutch bank rate to 9 per cent. Elsewhere the yen strengthened to 217.00 (216.00) but the French franc closed higher at 4.1060 (4.1130).

Effective exchange rate compared to December 31, 1971, was 72.8 per cent.

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Sterling Spot and Forward

Market rates
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Sterling 6 months 1.6800
Sterling 9 months 1.6800
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Sterling 819 months 1.6800
Sterling 822 months 1.6800

ACCOUNT DAYS: Dealings Began, June 16. Dealings End, June 27. § Contango Day, June 30. Settlement Day, July 7

* Ex dividend, a Ex all, b Forecast dividend, c Corrected price, e Interim payment passed, f Price at suspension, g Dividend and yield exclude a special payment, h Bid for company, k Pre-merger insurer, n Forecast earnings, p Ex capital distribution, r Ex rights, s Ex split or share split, t Tax free, v Price adjusted for late dealings, ** $\Delta 0$ significant data.

